Austria	Sch. 15	Indonesia	Rp 1600	Philippines	Pes. 20
Bahrain	Din 0.650	Italy	L 1100	Portugal	Esc 65
Belgium	BFr 35	Japan	Y650	S. Arabia	Rls 6.00
Canada	C$2.50	Jordan	Fils 500	Singapore	S$4.10
Denmark	DKr 7.00	Kuwait	Fils 500	Spain	Pta 95
Egypt	E£1.00	Lebanon	£L 6.00	Sweden	SKr 6.50
Finland	Fmk 5.00	Luxembourg	LFr 35	Switzerland	SwFr 2
France	FFr 5.00	Malaysia	Rgt 4.25	Tunisia	Din 0.600
Germany	DM 2.00	Morocco	Dh 8.00	Turkey	L 150
Greece	Dr 60	Netherlands	Fl 2.25	U.A.E.	Dh 6.50
India	Rup. 15	Norway	NKr 6.00	U.S.A.	$1.50

FINANCIAL TIMES

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D 8523 B

Wall Street: full closing prices, Pages 32–34

NEWS SUMMARY

GENERAL

Chinese angry at Korean exercise

China sharply attacked U.S. participation in a big military exercise in South Korea in a move apparently calculated to reinforce its new, independent foreign policy stance.

Peking described the exercise as a "war provocation" against North Korea.

The attack coincided with the arrival in Peking of Mr George Schulz, U.S. Secretary of State, for talks aimed at easing the recent strains between the two countries.

Release blocked

A Parisian judge ordered the release of Mary Reid, 29, an alleged Irish terrorist, but prosecutors immediately appealed and put her back in jail for 30 more days.

Bombs defused

Police defused two letter bombs sent to the Soviet embassy and the offices of Soviet Weekly in London. No one has claimed responsibility.

Senator's bid

Sen Alan Cranston, supporter of a nuclear weapons freeze, became the first person to announce his candidature for the U.S. presidency. Page 4

Lorry violence

Violence in a strike by independent U.S. truckers, now three days old, has left one driver dead, 27 people hurt an 260 trucks damaged by bullets, rocks and firebombs.

Suspect arrested

A man suspected of sending threatening letters to Jews and scrawling anti-semitic slogans was arrested near Stuttgart.

Visit postponed

The planned visit to London of an Arab League delegation was called off for at least the third time. The UK Foreign Office announced the postponement yesterday after receiving a message from King Hassan of Morocco who was to have led the team. Earlier Story, Page 3.

Rhine-Danube link

West Germany's Kohl Government decided to complete the Rhine-Danube canal, reversing the Schmidt administration decision to halt the project halfway through. Page 2

Gandhi son's post

Indian Premier Indira Gandhi's son Rajiv has been appointed a general secretary of the ruling Congress Party as part of a reorganisation. Page 3

Afghan hostages

Soviet and Afghan Government troops took 100 elders as hostages in an offensive against a guerrilla stronghold, according to Afghan rebel sources.

Invasion 'planned'

Argentina's invasion of the Falkland Islands was planned three months in advance on the assumption Britain would make no serious attempt to recapture them, according to an Argentine military strategist. Page 4

Briefly . . .

Soviet clinics have been ordered to stay open until 9 pm every night in a drive to improve services and reduce absenteeism.

Earth tremor shook area of southern Italy hit by a massive quake in 1980.

International express train jumped the rails near Levadia, central Greece, killing the driver and injuring four passengers.

Philippine President Ferdinand Marcos' wife Imelda voted herself a 10 per cent paycut.

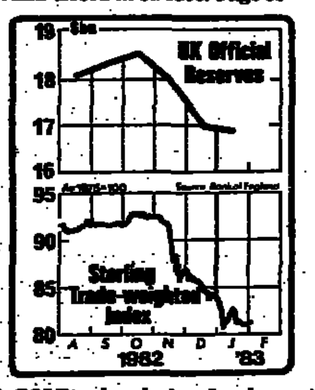
BUSINESS

Aerofoil sails for British tanker

● FIRST modern British commercial vessel to go to sea under partial wind power should start tests next year in the North Sea. The tanker, using computer-controlled aerofoil sails which give twice as much thrust as cloth, is believed to be first such use of sail power in Europe. Page 22

● DOLLAR rose in London to DM2.495 (DM2.462), FFr 7.0775 (FFr 6.97625), SwFr 2.0475 (SwFr 2.0125) and Y242.25 (Y239.15). Its trade-weighted index was 122.1 (121.1) Page 38

● STERLING closed at an all-time low of $1.515, a fall of 90 points on the day, but rose to DM 3.7825 (DM 3.755), FFr 10.72 (FFr 10.63), SwFr 3.1025 (SwFr 3.07) and Y367.25 (Y364.5). Its trade-weighted index was 81.3 (81). In New York the pound closed at $1.5200. Page 38



● GOLD closed in London at $499.5, $8 down from Tuesday's close. In Frankfurt and Zurich it was $10 down at $498.5. In New York the Comex February settlement was $507.3 ($503.7). Page 35

● WALL STREET: Dow Jones index closed up at 2.58 to 1062.64. Page 31. Full share listings, Pages 32-34

● LONDON: FT Industrial Ordinary index improved by 3.8 to 632.2. Government Securities finished virtually unchanged, with a few marginal declines. Page 31. FT Share Information Services, Pages 36, 37.

● TOKYO: Nikkei Dow index rose 2.53 to 8108.05. Stock Exchange index was 1.36 ahead on 588.71. Pages 31, 34

● HONG KONG: Hang Seng index eased by 0.72 to 894.81. Pages 31, 34

● AUSTRALIAN all-shares index edged up 1.9 to 545.1. Pages 31, 34

● FRANKFURT: Commerzbank index slipped 3.5 to 750.3. Pages 31, 34

● CHILE is seeking an extra $913m in credits from international institutions as part of its plan to reschedule foreign debts due this year and next.

● U.S. rules on import curbs are unlikely to be strengthened following a policy review in Washington. Page 22

● ARGENTINA received the first of four West German-built frigates fitted with British turbines.

● FORMER editor of Britain's Sun newspaper, Sir Albert "Larry" Lamb, received compensation of £213,000 ($324,000) when he left board of News International, UK branch of Mr Rupert Murdoch's newspaper empire. In another "golden handshake," Mr Saxon Tate received £90,000 after his contract as vice-chairman of sugar group Tate & Lyle was terminated.

● SIEMENS, West German electrical group, raised net profits from DM 509m to a record DM 738m ($297m) in the year to September. The company is buying the distribution and controls division of Gould of the U.S. Page 23

● TRW, U.S. electronics and motor component group, reported profits down from $228.8m to $196.3m in 1982 on sales 3 per cent lower at $5.13bn. Earnings advanced, however, in fourth quarter from $26.9m to $31.5m on sales off 4.7 per cent to $1.21bn.

Gulf Oil prepares to abandon Europe's 'nightmarish market'

BY PAUL BETTS IN NEW YORK

FOR Mr James Lee, the jovial but hard-nosed chairman of Gulf Oil, Europe has been nothing less than the oil industry's "most nightmarish market." Gulf, under the leadership of Mr Lee, has been transforming itself from an international into a domestic U.S. oil company, and is now about to complete a total withdrawal from the West European market.

Mr Lee announced on Tuesday that after long negotiations, Gulf had sold its assets in the Benelux to the Kuwait Petroleum Company, the state oil company of the Arab nation which has been expanding heavily in the industrialised countries of the West, including the U.S.

The sale of Gulf's marketing and refining assets in Belgium, the Netherlands and Luxembourg to the Kuwaiti company followed the sale last week to Royal Dutch/Shell of Gulf's interests in Switzerland, and Mr Lee added that Gulf was now negotiating with other parties the disposition of its other European assets, including those in the UK.

In many respects, what is happening at Gulf these days is a reflection of the uncertainty and turmoil in the oil industry. Gulf, which has often been called the smallest of that notorious group known as the Seven Sisters, is known worldwide, and although clearly in an enviable financial position compared with some other companies, it has had to adjust to hard times.

Withdrawal from European marketing and refining operations is only one aspect of a strategy which has seen Gulf increasingly abandon the international scene for the domestic U.S. market. But even in the U.S., Gulf plans some violent corporate surgery. Mr Ronald Hall, Gulf's vice-president for marketing, said this would include a two-thirds reduction of the company's service stations. In hard numbers, that means Gulf will cut its petrol stations from 5,400 at present to about 2,000.

Austerity, a word which did not feature in oil company dictionaries a few years ago, has led at Gulf to a 4 per cent reduction in personnel last year or 2,300 people. Mr Lee said the company had hired an outside consultant for an extensive review of staff and overhead costs. The aim was to make net savings of between $100m to $200m by next year.

Although Gulf would continue to be an international operator, Mr Lee said the company would take a very careful look at where it went. It would remain in Nigeria and West Africa, in Canada and the North Sea.

"We will tolerate three or four countries, but not the 13 countries we were in at one stage and from where we are pulling back as rapidly as possible," Mr Lee said.

Gulf has also reduced dramatically its purchases of Nigerian crude oil. Mr Charles Bowman, Gulf's president of refining and marketing, said: "We're reducing our reliance on Nigerian crude. Whereas it made up 65 per cent of our foreign crude runs in 1980, the figure for 1983 will be under 10 per cent. In fact, this month it will be zero."

Gulf last week reported earnings of $900m for 1982 or 27 per cent lower than the previous year. While few companies last year matched Gulf's cash flow of more than $3.5bn, Mr Lee said that was irrelevant. "The bottom line is that we were able to generate a return of only 10.4 per cent on our shareholders' equity and I find that unacceptable."

The current withdrawal from Europe and the scaling-down of international operations, coupled with budget and staff cuts, are all designed to try to speed up the recovery at Gulf and enable the company once again to become a profit leader in the industry. Indeed, Gulf, once the fifth largest U.S. oil company, has now had to hand over the fifth place to Standard Oil of Indiana.

Continued on Page 22

Petrofina advances, Page 23

Reagan says Fed must be flexible on money growth

BY ANATOLE KALETSKY IN WASHINGTON

A fundamental shift has taken place in the U.S. Administration's attitude to the conduct of monetary policy, President Ronald Reagan indicated yesterday in his annual economic report to Congress.

Compliance with rigidly predetermined money supply targets could be inappropriate at a time of rapid economic change and the Federal Reserve Board must "use its judgment to modify monetary growth rates so as to keep the growth of total spending in the economy (nominal gross national product) on the right track," the president's Council of Economic Advisers (CEA) stated repeatedly in its 1983 annual report.

The President said in his personal message, which preceded the CEA report, that "the Federal Reserve will continue to face major difficulties in guiding the growth of the money supply at a time when major regulatory changes have made it difficult to rely on the old guidelines."

The CEA then expanded on this theme, and concluded that the Fed must "use its judgment to adjust money growth rates and the corresponding targets" to the new economic circumstances.

The CEA suggests that the Fed should "recalibrate" its monetary targets by linking them to the growth of total money spending in the economy.

"The principle of targeting money growth rates is not an end in itself but only a means of achieving control of nominal GNP," it stated.

Last year's recession was largely attributable to unprecedented and as yet "not fully understood" changes in the relationship, called "velocity," which linked the money supply with the growth on nominal GNP.

It then pointed out that "strictly speaking inflexible monetary growth rates were appropriate only if the trend in velocity is constant."

It also gave gave a warning, however, against a purely discretionary monetary policy or one which attempted to keep interest rates at a pre-determined level.

Congressional initiatives to force the Fed into targeting interest rates, whether in nominal or real terms would exacerbate inflationary pressure and lead to economic instability, it said.

The CEA's new attitude to monetary policy was very close to that given by Mr Paul Volcker, chairman of the Federal Reserve Board, but it contrasted starkly with statements made by the Administration's monetary theoreticians in the past.

These have urged the Fed to change its techniques so as to ensure closer and steadier compliance with narrow money targets.

New emphasis on a broad money GNP target is a clear victory for Mr Martin Feldstein, the new CEA chairman, over the more rigid monetarists in the Administration, including Mr Beryl Sprinkel, Treasury Under-Secretary for Monetary Affairs and Mr William Poole, one of the members of the CEA.

Mr Volcker warned Congress again yesterday that published money supply figures would continue to give misleading signals for some time to come, but that the Fed was determined to avoid moving monetary policy in an inflationary direction.

Mr Volcker said the M-2 measure of money had probably increased by "something like $50bn" during January.

He called on Congress to provide additional resources urgently for the International Monetary Fund (IMF), saying that a global banking crisis was one of the most serious threats to economic recovery.

Lockheed returns to financial health

By Richard Lambert in New York

LOCKHEED Corporation yesterday signalled its return to financial health after years of struggle and near disaster.

The Californian aerospace group reported net earnings of $207m for 1982, together with a substantial improvement in the shape of its balance sheet. For the first time in more than a decade the auditors' opinion on its results will be unqualified.

In 1981, Lockheed reported earnings from continuing operations of $155m. But its decision to phase out the loss-making L-1011 TriStar commercial aircraft programme brought substantial closure costs, and left it with a loss at the bottom line of $288.8m.

The benefits came through in 1982. Mr Roy Anderson, Lockheed's chairman and chief executive, said yesterday that the company's production experience in phasing out the TriStar had been favourable, and settlements had been reached with certain significant suppliers.

"We believe, as do our auditors, that any future adjustment from the resolution of remaining uncertainties related to discontinuance of the programme will not have a material adverse effect on Lockheed's financial position," he added.

Lockheed is now mainly a contractor for the U.S. Government, which accounted for 81 per cent of its sales last year. Foreign customers took 15 per cent, and domestic commercial customers 4 per cent. Sales in 1982 rose from $5.2bn to $5.6bn.

Continued on Page 22

Soviet offer of gas pipeline link for Turkey

BY METIN MUNIR IN ISTANBUL AND TERRY POVEY IN LONDON

THE SOVIET UNION has offered to build a spur to the Siberia-Europe pipeline, which runs through Romania and Bulgaria, to supply Turkey with natural gas.

Mr Ivan Grishin, a Soviet Deputy Foreign Trade Minister, made the proposal during a visit this week to Turkey, officials said in Ankara yesterday.

The project calls for the supply of 2bn cubic metres a year of natural gas to eastern Thrace. Istanbul, the country's most populated city, and much of Turkey's industry lies in this area.

Mr Grishin has been in Turkey discussing bilateral trade as well as the pipeline question.

At the end of his visit yesterday a three-year trade agreement was signed to double the level of trade between the two neighbours. Turkey currently exports $170m worth of goods to [illegible] ...ports some $200m.

Further talks between Turkey and the Soviet Union on the spur scheme are due to be held in Moscow in April. Both Russia and Bulgaria supply Turkey with small quantities of electricity and the Soviet Union has also proposed increasing its supplies to eastern parts of the country.

This week's talks between Turkey and the Soviet Union follow the recent collapse of plans to build gas and crude oil pipelines from Iran to Turkey.

A proposal to build a natural gas pipeline connecting Iran and west Europe, passing through Turkey, remains on the table and its prospects seem slim.

Iran and Turkey first considered gas pipeline schemes in the late sixties when a study by UK consulting engineers International Management and Engineering Group (Imeg) costed at $500m a line from Ahwaz, in south-west Iran, to Eskanderum on Turkey's Mediterranean coast.

In the early seventies, Imeg and Italy's Snamprogetti studied an Iran-Europe gas line, passing across Turkey into Bulgaria, Greece, Yugoslavia, Austria and on to Munich.

This project was costed at $2.4bn, an enormous sum for the time. By 1971 the earlier Eskanderum proposal was re-studied by Distrigas of Belgium and costed at $1.7bn for a system that could handle 12bn cubic metres a year.

These various schemes were never carried out because of cost and the political risks involved in crossing an unstable Turkey.

Last March Mr Turgut Ozal, then Turkey's Deputy Premier, led a high-level delegation to Tehran and signed up a $1bn barter deal between the two countries as well as an agreement to reconsider the pipeline schemes.

But last week Turkey's Foreign Ministry announced that two of the schemes under study, a crude oil pipeline and a natural gas line for supplying Turkey's domestic needs, have been abandoned because of cost.

The joint Iran-Turkey economic commission is due to meet in Ankara later this month to consider the fate of the third proposal, a line to Europe from Iran. Its almost inevitabel that this plan will also be scrapped.

EEC faces fight on business 'perks' tax

BY JOHN WYLES IN BRUSSELS

EUROPEAN business organisations are gearing up for a vigorous lobby against an EEC proposal to force companies to pay full value-added tax (VAT) on a variety of "perks" and other expenditure, from food and drinks to cars.

If adopted unchanged by member governments, the European Commission's 12th VAT directive would broadly outlaw tax exemptions for business spending on food and drink, lodging and accommodation, entertainment, gifts and cars.

The Commission has decided on a very restrictive approach in an attempt to avoid an endless debate on the difference between a perk and a necessary business expense. For example, tax on cars would be deductible only where the vehicle was a "stock in trade", such as a taxi or for use by driving schools and car hire companies.

Similarly, business travel costs would be deductible only when incurred in moving staff from one location to another, or picking them up at home. Hotels and catering suppliers would remain free to deduct the "input" costs of their services.

Business lobbyists are still working out a co-ordinated position, but unofficially they are talking of "a very dangerous piece of legislation" and warning of a damaging increase in business costs.

Loudest protests will undoubtedly come from Germany, where there are at present no limits on possible deductions in any of the categories the Commission has in its sights. Elsewhere, as the Commission points out, every other member state imposes limitations on food and drink, lodging and accommodation, entertainment and gifts.

In the UK, for example, VAT on entertainment costs is deductible only when overseas customers are involved, and there is no concession on the purchase costs of cars. Travel expenses are, however, deductible.

France, by contrast, maintains the sternest regime which allows exemptions only for "publicity promoting" gifts of up to Fr 100 in value ($14.5).

Far from being the inspiration of some puritanical Eurocrat, the proposal was actually called for by member governments when they passed the 6th VAT directive in the late 1970s.

This set the objective for the new directive as: "Value-added tax shall in no circumstances be deductible on expenditure which is not strictly business expenditure, such as that on luxuries, amusements or entertainment."

The philosophy behind the move is to create equal conditions of competition and to eliminate opportunities for tax evasion

Renault to put $50m into AMC

By Paul Betts in New York

RENAULT is injecting $50m into American Motors Corporation (AMC), the U.S. car maker which is 46.4 per cent owned by the French group, to speed up AMC's current five-year joint product plan with Renault.

An AMC official yesterday said the new funds from the French company were a positive development for the financially troubled American car maker and reflected the successful launch of the Alliance, the U.S. version of the Renault 9, in the U.S. market.

The new funds will be supplied by Renault Holding SA, the French group's Swiss holding company, which has bought $50m worth of 20-year subordinated debentures from American Motors.

The company also confirmed yesterday it is phasing out its Sprint/Concord car models, for which demand is declining. In contrast, since its introduction on the U.S. market in September, 30,173 Alliances were sold by the end of last year.

But AMC has continued to be plagued by losses, which for the first nine months of last year totalled $150.6m compared with a loss of $89.4m in the first nine months of 1981.

GM's dramatic shift of gear, Page 20

CONTENTS

Dutch ‘not committed’ to deployment of cruise

BY WALTER ELLIS IN AMSTERDAM

MR RUUD LUBBERS, the Dutch Prime Minister, said yesterday that the Netherlands was "not committed" to the deployment of U.S. cruise missiles, but the Soviet Union ran a serious risk of making such a deployment inevitable by continuing to build up its SS-20 missile system.

Mr Lubbers was talking to journalists after a meeting in the Hague with Mr George Bush, the U.S. Vice-President, who was yesterday in the Netherlands on the second leg of his nuclear weapons consultations with European leaders.

The Netherlands is scheduled within the terms of a 1979 Nato agreement to accept 48 cruise missiles by 1986.

But Mr Lubbers reaffirmed yesterday that everything still hinged on progress at the nuclear disarmament talks in Geneva, and on progress towards the so-called "zero option" on intermediate range missiles.

Mr Bush, speaking earlier, left the door open for a summit meeting between the U.S. and Soviet leaders in spite of Mr Andropov's rejection on Tuesday of President Ronald Reagan's offer to meet and sign an agreement on the abolition of intermediate nuclear weapons.

A summit meeting would not have to centre on the abolition of nuclear weapons, Mr Bush said. It could not be ruled out that the discussions could be based on a different agenda.

"What the President was saying in his offer to sign an agreement was to refocus attention and hold out his hand to Mr Andropov on a subject that I find is of enormous concern in Europe," the Vice-President said.

Talks between Mr Bush and Mr Lubbers were held in private and no details of what was said were announced. Mr Bush revealed only that Mr Lubbers and his Government had "laid it on the line" about cruise deployment.

He said he had emerged from the consultations with a renewed sense of the unity of the alliance. This was later stressed by Mr Lubbers.

Mr Bush said: "We talked of the elimination of an entire generation of intermediate nuclear missiles... That is a stance steeped in morality. Let us hope someone in the Kremlin is listening."

Mr Lubbers said he hoped that Geneva talks could lead to a situation in which it would not be necessary to site cruise missiles in Europe. Discussions on steps toward realising the zero option could not be conducted in public, but such intermediate steps to reduce the numbers of weapons were not to be excluded.

Mr Bush left the Netherlands last night for Brussels, where he will talk to Belgian leaders and attend a meeting of the Nato Council. Mr Lubbers is to visit Washington on March 15 for talks with President Reagan.

Gen Rogers condemns Soviet proposal for nuclear-free zone

BY JOHN WICKS IN DAVOS

GENERAL Bernard Rogers, the Supreme Allied Commander in Europe, yesterday condemned the latest Soviet proposal for a nuclear-free zone for battlefield weapons in Europe. Such zones "give the illusion of security without the substance," he said.

General Rogers was commenting on the proposal, published in Moscow last week, for a nuclear-free zone 500–600kms wide in central Europe. The proposal, which would clear most of West and East Germany of short-range tactical nuclear weapons, extended ideas put forward by the Palme Commission on disarmament, according to Tass, the official Soviet news agency.

Making the first official Nato comment on the proposal, Gen Rogers noted at a management symposium here that the principal weakness of such nuclear-free zones was that they could not prevent the penetration of central Europe by longer-range land-based Soviet nuclear weapons.

Gen Rogers said he expected "a flurry of carrots and sticks" from the Soviet Union in the run-up to the West German election on March 6 – and ahead of elections in Britain if they are held this year. "We must examine the carrots very seriously," he added.

Gen Rogers said that a ban on intermediate range missiles in Europe, as proposed in President Reagan's zero option, would place a greater burden on Nato's conventional forces. He repeated his calls for increased spending on conventional forces by the Western Alliance.

● U.S. and Soviet officials in Geneva refused to say what was discussed at the first session in 1983 of the Strategic Arms Reduction talks yesterday. Both sides privately conceded, however, that they were dug in for what an American official described as a "complex long-haul effort."

U.S. officials doubt whether there will be any serious progress in the strategic talks until it becomes clear whether progress is possible in parallel negotiations in Geneva on limiting medium-range weapons, such as the cruise, Pershing and SS20 missiles.

Bonn backs move against aggression

By Leslie Colitt in Berlin

HERR Hans-Dietrich Genscher, West Germany's Foreign Minister, told Czechoslovakia that Bonn looks with favour on last month's Warsaw Pact proposal, made in Prague, for a non-aggression treaty with Nato. Herr Genscher yesterday completed two days of talks in Prague with the Czechoslovak leadership.

Herr Genscher said President Reagan's offer of a summit meeting with the Soviet leader, with the Warsaw Pact proposal, could represent a chance to "strengthen peace" in Europe. Herr Genscher's remarks were made at a dinner given by the Czechoslovak Foreign Minister, Mr Bohuslav Chnoupek.

West Germany regards the visit to Czechoslovakia by Herr Genscher as a re-affirmation of its continued strong interest in Ostpolitik under the conservative-liberal Government. Herr Genscher has kept up his strenuous foreign travels while campaigning for the elections on March 6, which will determine whether the tiny liberal FDP which he heads will survive.

In his speech, Herr Genscher praised the Warsaw Pact offer made on January 5 of a dialogue and co-operation with Nato on disarmament. He noted West Germany had traditionally made the principle of non-aggression a cornerstone of its policy.

In his talks with the Czechoslovak leadership, he said the reduction of tension in Europe could not be separated from the Soviet intervention in Afghanistan, and Moscow's support for the suppression of the Solidarity trade union in Poland.

The West German Foreign Minister had talks yesterday with Czechoslovakia's President and Communist party leader, Mr Gustav Husak. Before this meeting he spoke with Frantisek, Cardinal Tomasek at his residence. This was seen as a demonstration of support for the hard-pressed Roman Catholic Church in Czechoslovakia.

Western diplomats said Herr Genscher brought up the alleged harassment of human rights activists in Czechoslovakia and the persecution of the Catholic Church in his talks with the Czechoslovak leadership.

Pact ‘could be tied to Afghan pull-out’

BY STEPHANIE GRAY IN LONDON

A WITHDRAWAL of Soviet troops from Afghanistan and the so-called Brezhnev doctrine, permitting intervention in Eastern bloc countries, could be linked with a non-aggression treaty between Nato and the Warsaw Pact, West German officials said in London yesterday.

Speaking in advance of Chancellor Helmut Kohl's meeting tomorrow with Mrs Margaret Thatcher, the British Prime Minister, the officials said West Germany would urge "positive consideration" by Nato of last month's Warsaw Pact offer of such a treaty.

Britain and France had dismissed the proposals, which emerged from the Warsaw Pact meeting on January 5. Mr Francis Pym, the UK Foreign Secretary, noted that the alliance had committed itself to no-first-use of nuclear weapons at its Bonn summit last summer. France suggested that no new peace pledges should be added to those already contained in the United Nations Charter.

East-West and transatlantic relations will dominate Herr Kohl's talks with Mrs Thatcher, and those between Herr Hans-Dietrich Genscher, the West German Foreign Minister, and Mr Pym.

They are in addition to the regular six-monthly meetings between the two leaders and were arranged, at Herr Kohl's request, last October so that economic matters could be discussed more fully.

In the interim, however, the arrival of a new Soviet leadership and the resumption of arms control talks in Geneva, have overshadowed these issues. Herr Kohl will brief the British Prime Minister on among other things, visits to Bonn by Mr Andrei Gromyko, the Soviet Foreign Minister, Mr George Bush, the U.S. Vice-President and Herr Genscher's talks in Prague

In spite of its clear public relations overtones, the officials said Bonn has taken seriously President Ronald Reagan's open letter to Europeans, offering to meet Mr Yuri Andropov "any time, any place" to agree on a ban of all U.S. and Soviet land-based, medium-range nuclear missiles.

Banks urged to drop E. German loan curbs

By Leslie Colitt in East Berlin

A LEADING West German economics institute has told Western banks that there is no longer any justification for their "restive attitude" towards loans to East Germany now that it has reduced its net debt to them.

East Germany obtained only small loans of \$10m-\$20m from some European banks last year. U.S. banks refused to deal with the country because of the alleged risk.

DIW, the West German institute of economic research in West Berlin, says in its latest analysis that East Germany reduced its net indebtedness to Western banks by \$700m in the year to last September.

Since then, it has continued punctual repayments of interest and principal. East Germany's net debt to Western banks (without its cumulative debt in East-West German trade) is now estimated at about \$9bn.

The institutes estimate that East Germany will have to pay \$600m (£394m) in interest this year compared to about \$1bn last. It should earn about DM 1.75bn (£466m) from services to West Berlin and West Germany this year and from sales from its hard-currency shops. Thus, its intake of D-Marks this year will exceed its interest payments.

Commenting on the report yesterday, a West German Banker agreed that a fresh look should be taken based on East Germany's debt repayment and export performance. The country certainly deserved a market rating equal to that of Hungary, he said. This would entitle it to 1¼-1½ per cent over Libor for one to two-year loans.

DIW says a continuation of banks' restrictive policy towards East Germany would only lead it to further increase its exports surplus with OECD countries this year, worsening the prospects for Western exports to East Germany. East Germany would continue to shift its trade toward West Germany and away from other OECD countries because of the hard-currency savings.

On the basis of calculations (East Germany provides only minimal foreign trade figures) the institute says East Germany will expand trade with the West this year by at least 13 per cent, with exports growing much faster than imports. Last year the country boosted its exports to OECD nations (excluding West Germany) by 17 per cent, while slashing imports by 33 per cent.

Swiss vote supports nuclear plant

BERNE—The Swiss Parliament's Upper House yesterday approved plans to continue work on a bitterly-disputed nuclear power plant near Basle in northern Switzerland. Voting was 32 in favour and 10 against. The issue now goes to the 200-member Lower House, where it is expected to face a rougher passage.

Before the debate, several senators received letter bombs and threatening letters from an anti-nuclear group calling itself "Do-It-Yourself."

A bomb alert on Tuesday night cleared the Parliament building, but a police search failed to uncover any explosives.

Reuter

Lisbon tries to borrow \$4bn abroad

BY DIANA SMITH IN LISBON

THE PORTUGUESE Government is asking Parliament to authorise foreign borrowing of up to \$4bn in the near future. This is more than Portugal borrowed during the whole of last year.

Of the total, \$650m will be net new borrowing by the country to help meet the deficit on the provisional budget for 1983 that the outgoing Balsemao Government has sent to Parliament for urgent approval.

As soon as Parliament agrees to pass the government's proposals, President Antonio Ramalho Eanes is expected to dissolve Parliament and set a date for an early general election.

Heated debate is expected today on the 151-page provisional budget. Much of the opposition and the Christian Democrat parliamentary group, which belongs to the ruling coalition, objects to the extensive document that the government has chosen to present.

The Balsemao administration, however, felt it was necessary to have a detailed instrument laying down instructions for government spending and borrowing in the period before the formation of a new government.

According to official figures, spending will total Esc 648bn and revenue Esc 493bn.

In addition to the foreign borrowing required, the government is also looking for up to ECUs 150m (£91.5m) from the European Investment Bank to help finance transport, energy and small enterprises and DM 18m from the Federal German Government to help finance energy saving and farm projects.

The government is seeking authorisation to borrow up to Esc 133bn on the domestic market. Much would be in the form of bond issues, either private or public, and at interest rates that, the mini-budget says, must not exceed present rates.

The budget stipulates that foreign loans must be taken providing that they are not less favourable than those on the capital markets.

The foreign banking community has been awaiting an announcement of financial measures by the Balsemao Government.

Portugal is living beyond its means, writes **Diana Smith** in Lisbon

Eanes gambles for economic stability

IT IS a mark of the gravity of Portugal's economic situation that President Antonio Ramalho Eanes was forced last month to announce that he will dissolve parliament and call an early general election.

The country was clearly living beyond its means, becoming hampered by an unwieldy public sector, and political infighting had become so disruptive that the Government was unable to carry out badly needed reforms.

Gen Eanes preferred to risk action might inflict on the economy rather than let the divided Democratic Alliance (AD) continue its term of office into next year.

The AD had repeatedly promised to open up the nationalised banking, insurance and some manufacturing sectors to private capital, but never did so. Other unfulfilled election promises included measures to make it easier to lay off or dismiss disruptive workers and rationalise the sprawling public sector.

Against this background, the world recession had damaged Portugal's important European export markets, while industrial production and investment stagnated last year.

The country's balance of payments deficit was forecast to reach \$1.7bn (£1.2bn) in 1982, but actually became \$3bn. The budget deficit officially remained stagnant at Esc 150bn (£1.05bn), but senior civil servants say it is more like Esc 180bn.

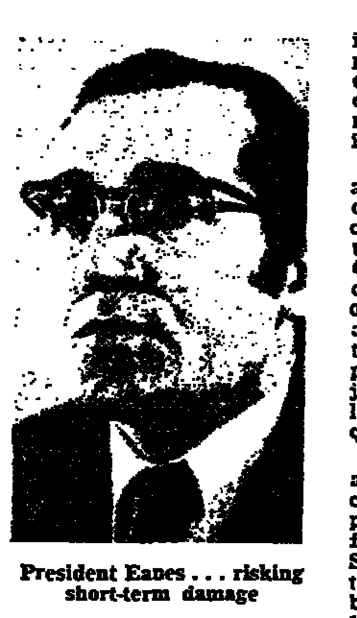
Meanwhile, domestic demand rose at 4 per cent last year, at a far faster rate than Portugal could afford. Demand for cars alone rose by 45 per cent in 1981 and petrol consumption by 7 per cent last year. This was despite interest rates of nearly 25 per cent, a barrage of import restrictions and giddily rising prices of essential foodstuffs.

"We Portuguese want to live like the Germans or Scandinavians, but not work like them," said Sr Angelo Correia, an outgoing Cabinet Minister recently.

The situation was made worse by the fact that the major public sector companies were riddled with debts and losses, and propped up only by the lack of political will to tackle these white elephants head on. The outgoing Secretary of State for Finance reported that since 1975, these nationalised concerns had cost the country Esc900bn.

The Government hinted that increases in real wages should be curtailed and recommended a 16 per cent ceiling last year, with a forecast inflation rate of 17 per cent. But public sector managers buckled under pressure of Communist-led unions and gave wage increases of between 25 per cent and 28 per cent.

Even though the Government has now admitted to a 22.4 per cent inflation rate for last year,



President Eanes . . . risking short-term damage

the unions have still ensured some buying power for their members.

But this buying power was wielded in a country whose external finances were skidding deeper into the red, as emigrants' remittances and tourist revenue dropped. Import costs were increasing—most notably, the oil import bill, which rose \$1bn to \$3bn last year. Export earnings fell marginally in dollar terms, although export volume increased 27 per cent.

Short-term foreign borrowing, which had earlier dipped from its uncomfortable level of 30 per cent of the total foreign debt, was also rising, in a climate of what one Portuguese newspaper editor called "ironic indifference."

All this took place amid accusations of a large flight of capital through under-invoicing of exports. One estimate puts this at about \$30m a year. Confidence in the Government declined further, with reports of corruption in the bureaucracy and in the construction industry, which relies heavily on public works. Including indirect jobs, the industry affects the livelihoods of 800,000 people—a quarter of the total workforce.

The Government's belated answer to these problems was contained in its 1983 economic plan, a bleak paper calling for forcibly contained growth. But Sr Francisco Pinto Balsemao, the Prime Minister, left office before the plan and a tough 1983 budget, delayed until after the December 12 local elections, could be steered through parliament.

In theory, he was leaving it to another AD Cabinet to knit frail economic threads. But in practice, he and his outgoing Cabinet have to obey Gen Eanes's instructions to rush through tax and allocation measures which will keep Portugal going until the general election is held. Each day, they are reminded of the economic crisis they could not talk about last year.

West Germans take larger share of world car output

BY STEWART FLEMING IN FRANKFURT

THE WEST GERMAN motor industry raised its share of world car output from 13.3 per cent to 14.1 per cent in 1982, the industry's federation reported yesterday.

Car production in West Germany itself rose by 4.3 per cent to 4.1m units in spite of a decline of 5.6 per cent, to 301,000, in the output of trucks. In its overseas plants the industry maintained output at just over 1m units.

The federation contrasts the West German industry's performance with the 3 per cent decline in world motor industry production to 36.3m units. It says that Japanese output fell by 4 per cent to 10.74m units and U.S. output was 12 per cent down at 6.98m units.

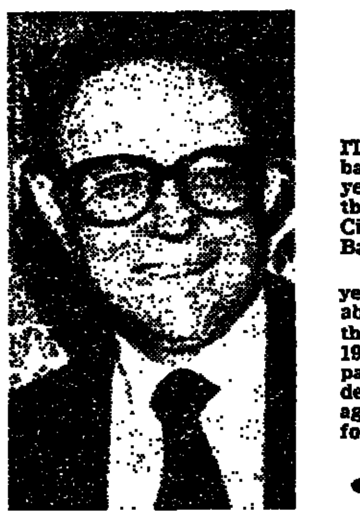
Herr Horst Backsmann, president of the federation, warns that, with exports weakening and the home market under pressure, production this year is unlikely to reach the levels reported for last year.

Yugoslavia curbs prices

BY ALEKSANDAR LEBL IN BELGRADE

PRICE CURBS introduced in Yugoslavia six months ago have been extended for a similar period. Prices were not frozen completely and, as a result, many have gone up, taking the inflation rate for last year to 30.7 per cent.

This year many prices and rates have been exempted from the curbs, so inflation is likely to continue at a high level. The rapid fall in the value of the dinar, which in January alone has come down some 11 per cent, has meant that the prices of many products with high import value have to be adjusted.



● Sig Ciampi (left): warning on public spending

Italian deficit on current account ‘to halve’

BY OUR ROME CORRESPONDENT

ITALY'S CURRENT account balance of payments deficit this year should drop to at least half that of last year, Sig Carlo Ciampi, the governor of the Bank of Italy, said yesterday.

Last year's deficit, though not yet finalised, is expected to be about L7,500bn (£3.5bn), about the same level as it reached in 1981. The overall balance of payments closed in 1982 with a deficit of L2,500bn (£1.16bn), against a surplus the year before of L1,432bn (£668m).

Sig Ciampi attributed the expected improvement in the balance of payments this year to several factors. Near-zero economic growth and the fall in the oil price would keep down imports. Revenue from tourism was expected to maintain last year's high levels and interest payments on Italy's \$50bn of foreign debt, including short-term debt, should be reduced thanks to falling international interest rates.

On the crucial theme of government spending, the governor recognised that the Government had taken measures to try to keep down the public sector borrowing requirement to the same level as last year—some L71,000bn (£33.1bn). But this represented 15 per cent of gross domestic product and he asked what would happen in 1985 or 1986 if there were no serious effort to reduce, rather than just hold down, public spending.

He repeated his oft-made call for the Government to tackle its enormous and rising spending on social security benefits.

Sig Ciampi said that the Bank of Italy had had little choice but to accede to the Treasury's recent controversial request for a special one-year loan of L8,000bn from the central bank to help it meet a cash crisis after exceeding its borrowing limits with the bank.

If it had been the case of a bank lending to a company, he said, the bank would have insisted that the company put its affairs in order before it made the loan. But in this case, the Government was having to meet expenditure already approved by Parliament. The central bank faced the choice between "increasing the monetary circulation—or chaos" and it had had to choose the former.

Sardinia yields to Aga Khan’s luxury resort plans

BY JAMES BUXTON IN ROME

THE AGA KHAN is to make his peace with the Sardinian authorities. The dispute between them, which last month aroused fears that he was leaving for good his "principality" on the island, the Costa Smeralda, has been settled after 11 years.

The dispute was over a 20-year plan by the consortium Costa Smeralda to treble the amount of building on the beautiful stretch of coast, which has become one of the most famous luxury resorts in the Mediterranean.

At the beginning of January, the Aga Khan, the immensely rich head of the Ismaeli Moslem community, resigned as chairman of the consortium. Last June he said that if the authorities in Sardinia did not give a "clear, complete and satisfactory" answer to the consortium's planning application by the end of the year, he would go.

The consortium represents all the property owners on the Costa Smeralda, of whom the biggest is the Aga Khan himself, and it effectively owns the place. But it does not own any land, and the Aga Khan's resignation did not mean that he would abandon his property there, cease to go there for his holidays or drop his interest in the expansion plan, in which he is the biggest investor.

Nevertheless, the news of the Aga Khan's resignation from the consortium had an electrifying effect. The regional government of Sardinia and the local Commune of Arzachena speeded consideration of the consortium's plans.

These involved development of the southern part of the 55 km of coast which the Aga Khan and some associates bought as virgin land at the beginning of the 1960s, and the in-filling of some of the gaps in the northern part of the coast near Porto Cervo. It would raise the number of people on the Costa Smeralda at peak times from 15,000 to over 50,000.

The total cost of the new tourist development is put at L600bn (£264m). But, in addition, the consortium agreed to spend another L400bn on investments in activities not directly connected with tourism, such as agriculture and light industry—though it reserved the right to run them.

The objections to the consortium's plans, first presented in 1972, were based on details of the extent of the new building, and a reluctance to give the consortium guarantees that there would be no change in the rules. The Commune of Arzachena wanted many more hotels, but the consortium said this would change the character of the Costa Smeralda.

Approval was also held up by the difficulty of co-ordinating two authorities, by repeated changes of administration, and by changes in planning laws. There was also a discernible sense of resentment at the orderliness of the Costa Smeralda and the prestige of its mastermind, despite recognition of the benefit he has brought Sardinia.

In the agreement, initialled on Tuesday, there is to be a slight reduction in the amount of building and there will be periodic reviews of the plan by the local authorities. But the consortium says it is "pretty satisfied."

The Aga Khan will now go to Sardinia to sign a formal agreement with his former protagonists. "In the short term," he will not return to the chairmanship of the consortium. A new chairman is to be elected later this month, but the Aga Khan may return in three years.

Bonn backs canal project

By James Buchan in Bonn

THE BONN Government yesterday supported the completion of West Germany's most controversial public works project, a canal to link the Danube with the Rhine-Main river system in a single waterway from the North to the Black Sea.

The cabinet of Chancellor Helmut Kohl's conservative Free Democrat coalition yesterday over-rode a decision of its Social Democrat-Free Democrat predecessor last January, and resolved to seek to finish the remaining 55 kms of canal still to be dug through Bavaria.

The project, begun in 1962 on the site of at least two earlier efforts, has already cost DM 1.8bn (£428m) and is expected to need a further DM 975m, but at 1981 prices. The government spokesman said yesterday that it would be unreasonable to abandon the project now and leave an "investment ruin."

The project has been bitterly attacked for the damage it will do to an unspoiled part of Bavaria and for reasons of economic sense—that it will carry little freight, that East European canal barges will undercut the local fleet and that it will add to the losses of the federal railway system.

However, Herr Franz Josef Strauss's Bavarian Christian Social Union, in coalition with Herr Kohl's Christian Democrats, fiercely supports the project. The FDP voted to scrap it at its party congress last weekend, and it is not clear how the FDP ministers voted in yesterday's cabinet.

The cabinet yesterday promised to put forward a detailed programme after the general elections in March—should the coalition parties be re-elected.

However, it promised that the canal would remain a "national waterway" and that bilateral agreements would be signed with user countries on the condition that the interests of the local barge fleet be secure. Additional measures to protect the countryside were also promised.

Turk detained

Milan police said yesterday they were holding a Turkish man for questioning following allegations that he had been planning an attack on Pope John Paul, Reuter reports. A Carabiniere police duty officer in Milan earlier said that Mustapha Savek had been arrested at Rho, just north of Milan, but police chiefs later made clear he had only been detained for questioning.

Haughey leadership demand

By Brendan Keenan in Dublin

FIVE FORMER ministers of Fianna Fail, the Irish opposition party, have put their names to a request for a meeting of the parliamentary party tomorrow to discuss the continued leadership of Mr Charles Haughey.

Party officials claim that 40 of the 75 Fianna Fail MPs have signed the request.

MPs opposed to Mr Haughey's leadership were forced into this move when yesterday's meeting had to be adjourned because of the death in a car accident of Mr Clem Coughlan, the MP for Donegal. There was considerable confusion when Mr James Tunney, the chairman of the parliamentary party, refused to consider a date for a resumed meeting.

This would have meant that the leadership issue could not come up until the regular meeting next Wednesday. This is also budget day. Many MPs felt this was intolerable in the light of the pressure on Mr Haughey to resign because of allegations of telephone tapping when his administration was in power.

It is thought likely that, if MPs succeed in calling an early meeting, they will also muster enough support to topple Mr Haughey.

● A controversial referendum on abortion will receive the go-ahead from Parliament within a few days. The referendum, which seems certain to back an existing written constitutional ban on abortion, is likely to take place by the end of March.

The plan for a vote on the issue started when pressure groups won promises for referenda from the main political parties. But it has been oposed by a number of groups, including the Irish trade unions and the country's Protestant churches, who claim the move could be interpreted in Northern Ireland as sectarian and geared to Roman Catholic beliefs.

French jobless forecast

PARIS — The rise in unemployment in French industry is likely to accelerate in the first quarter of this year after slowing slightly in the previous three months, according to Insee, the national statistics institute.

In its latest survey of industrial opinion it also said overall industrial demand should stabilise around end-1982 levels.

The survey added, however, that foreign demand continued to fall in the last three months of last year.

Reuter

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Zimbabwe security forces accused of tribal violence

BY OUR HARARE CORRESPONDENT

MR JOSHUA NKOMO, Zimbabwe's opposition leader, yesterday accused the North Korean-trained Fifth Brigade of looting, rape and mass murder in Matabeleland, western Zimbabwe.

Mr Nkomo, leader of Zapu, was speaking in a parliamentary debate on a resolution accusing him of trying to undermine the government.

At the weekend, Mr Nkomo told newsmen that more than 95 civilians had been killed by the security forces last week.

One of the victims was said to have been Mr Josiah Gumede, president of Zimbabwe-Rhodesia when Bishop Abel Muzorewa was Prime Minister in 1979. But immediately after Mr Nkomo's accusations last Friday it was announced that Mr Gumede was alive and well.

During the parliamentary debate yesterday Mr Nkomo was persistently interrupted with taunts of "Gumede, Gumede" as he criticised the security forces for their tribalistic violence against the Ndebele minority.

Mr Nkomo, in a moderate and reasoned argument, appealed for the appointment of a parliamentary committee to investigate allegations of tribal violence in his native Matabeleland.

There were few indications of government support for his plea, though the some members of the Government front bench tried to silence their backbenchers.

Mr Nkomo said more than 400 incidents of violence by the security forces against Ndebele citizens had been reported in his constituency between January 21 and 27.

Just how serious the situation has become is difficult to ascertain. There is little doubt that the repression by the Fifth Brigade is brutal and heavyhanded. Eyewitness reports by white farmers support some of Mr Nkomo's allegations. The other side of the coin is just what the dissidents, who represent – at most – 20 per cent of the population hope to achieve.

On paper, short of partition their case would seem to be hopeless, especially as the Government appears increasingly to be committed to a military solution rather than a political one.

Resentment over return of Ghanaian deportees

BY PETER BLACKBURN IN ABIDJAN

WITH GROWING reports of harassment and deaths among the Ghanaians expelled from Nigeria, official Ghanaian reaction to the Nigerian move has become more bitter. The govern-controlled Ghanaian Times has described the expulsions as "part of a conspiracy by external forces to destroy the revolution."

It accuses the "Kaduna Mafia" of using an electoral gimmick to blame Nigeria's economic and social problems on immigrants.

The exhausted and famished deportees have been given a mixed welcome by their compatriots. While there is sympathy for their suffering, there is also resentment at the way they deserted Ghana in a "mad rush for naira and cassette tapes" in the 1970's.

Ghana's weekly Spectator, however, said the Nigerian action was "inevitable," given the collapse of the oil boom. The paper added that the decision was "not unprecedented," referring to Ghana's expulsion of Nigerians and other aliens in 1969.

It pointed out that Nigeria was "keeping those who could have been of most use" and sending back the unskilled

Food shortages are expected to grow much worse and the country's health services will also be severely stretched.

Gandhi's son appointed

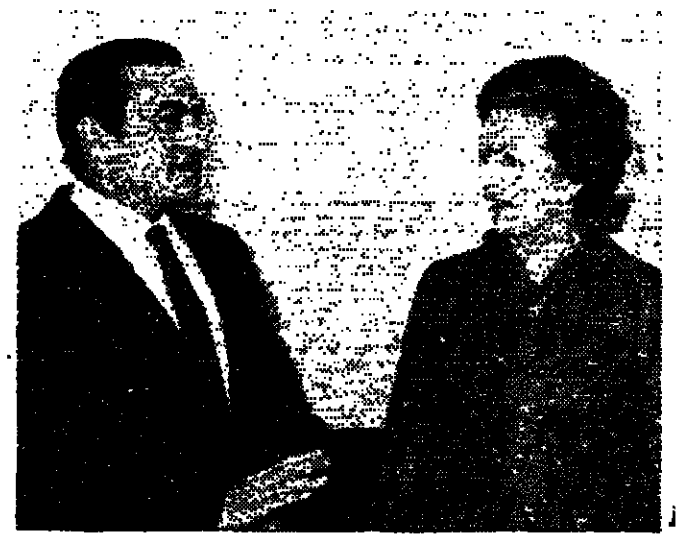
BY K. K. SHARMA IN NEW DELHI

MR RAJIV GANDHI, MP and son of Mrs Indira Gandhi, the Indian Prime Minister, was yesterday appointed a general secretary of the Congress (I) Party as part of the plans to reorganise it following election reverses in south India last month.

Mr Gandhi had been tipped to become the Congress (I)'s president in March, but this has apparently been postponed because of the delay in holding internal party elections, and because Mrs Gandhi's propagation of dynastic rule is thought to be one of the reasons for the poll defeats.

Mrs Gandhi remains the president of the party, but last week she appointed a senior and respected politician from Uttar Pradesh, Mr Kamalapati Tripathi, as the Congress "working president." Mr Tripathi has made no secret of the fact that he takes his orders from Mrs Gandhi and her son.

Rajiv was chosen by his mother for election to parliament a little after her controversial younger son, the late Sanjay Gandhi, was killed in an air crash in June 1980. Rajiv resigned his job as a pilot with Indian Airlines and, as Mrs Gandhi's chosen heir apparent, has been active in politics for nearly two years.



President Hosni Mubarak of Egypt held talks with Mrs Margaret Thatcher, the British Prime Minister, yesterday during a 24-hour visit to London on his way back from the U.S. and Canada. *The Egyptian leader is believed to have expressed* his belief that Britain and other European powers should do everything to assist in pushing forward President Reagan's Middle East proposals. Mr Francis Pym, the British Foreign Secretary, said after a visit to Cairo at the end of last year that there was an almost complete identity of views between the two countries and no outstanding bi-lateral issues.

Arab League's London visit called off again

BY STEPHANIE GRAY IN LONDON

THE planned visit to London of an Arab League delegation has been called off for at least the third time. The UK Foreign Office said yesterday that a meeting rescheduled for next week has been postponed "for Moroccan domestic reasons," – thought to be a reference to the death in a car accident of King Hassan's closest security adviser.

The Moroccan king was to have led the delegation – one of two teams canvassing support in the capitals of the five permanent members of the United Nations Security Council for an Arab peace *plan decided at the Fez summit last* September.

Previous postponements were the result of arguments over the inclusion of a representative of the Palestine Liberation Organisation in the team. British attempts to lay *down conditions for the visit caused* considerable Arab bitterness and forced Mr Francis Pym, the Foreign Secretary, to call off a visit to the Gulf last month. The delegates were to have met Mr Pym and Mrs Margaret Thatcher, the British Prime Minister.

The Foreign Office announced the postponement after Mr M'hamed Boucetta, the Moroccan Foreign Minister, flew to London to deliver a personal message from the King to Mrs Thatcher.

Officials said last night it was hoped the meeting could be rearranged.

Syria rejects withdrawal plan put by Israel

By Louis Fares in Damascus

SYRIA rejects all conditions proposed by Israel for the withdrawal of its troops from Lebanon, Mr Abdul Halim Khaddam, the Syrian Foreign Minister, said in an address to the Syrian Parliament on Monday night.

"Any condition to be dictated to Lebanon, if it affects Lebanon's interests, security, unity and future, also affects Syria's interests and security," he said.

Mr Khaddam also emphasised that the entire Arab-Israel dispute was a pan-Arab issue. "We warn anyone against trying to bypass this fact and go beyond the Fez Arab summit resolutions which *constitute the* minimum consensus for Arab solidarity," he added.

Ecuador oil 'price cut'

By Our Middle East Editor

PRESSURE on major oil producing countries to lower their prices persisted yesterday with indications that Ecuador had dropped its prices by $1 a barrel and that Finland was anticipating more sizeable reductions in the cost of supplies from the Soviet Union.

In Kuwait, a senior official confirmed that several requests had been made in the past couple of days from potential buyers, but the Government had refused to sell at spot prices.

Oil company officials suggested earlier that Kuwait had negotiated a sale of crude at $28.50 a barrel, compared with the official price of $32.30. This was denied by the Oil Ministry

Sr Humberto Calderon Berti, Venezuela's Oil Minister, said he believed that another Opec meeting may be held next week

Israel offers partial troop withdrawal from Lebanon

BY DAVID LENNON IN TEL AVIV

ISRAEL WOULD be willing to make a partial withdrawal from Lebanon as part of an interim agreement designed to help the negotiations on the complete withdrawal of all foreign forces from the country, according to officials here.

Jerusalem insists that this should not be regarded as splitting Lebanon into spheres of influence between Israel and Syria. Rather, it is intended to reduce the tensions in Lebanon and to break the deadlock in the current negotiations on a full withdrawal.

The idea is for Syria to make a parallel pullback of its forces within Lebanon, but the problem which remains unsolved is the status of the Palestinian guerrillas during this interim period.

Israel wants the complete evacuation of the Palestine Liberation Orgainsation (PLO) from Lebanon as a first stage. However, U.S. officials with whom these ideas are being discussed have questioned the possibility of demanding total PLO evacuation when the issue being negotiated is only a partial withdrawal of Israeli and Syrian forces.

Mr Philip Habib, the special U.S. Middle East envoy, who is due back in the region in the middle of next week, has been playing an active role in the discussions of the interim agreement. Jerusalem believes that Mr Habib takes a positive view of the interim *arrangements* as a way of testing the intentions of Israel, Syria and the PLO.

Israel presumably would be willing to pull back to the line 45 km north of its border which it regards as the necessary security zone to protect northern Israel against guerrilla shelling or rocket attacks.

Once on that line, Jerusalem would not be under as much pressure to complete the withdrawal, and the army could make the security arrangements it wants, without having to win the agreement of the Beirut Government.

During the direct negotiations with Lebanon and the U.S., Israel has so far failed to win Lebanese agreement to security arrangements which it is seeking. These include the station*ing of Israeli forces in bases in* southern Lebanon

Time runs short for Reagan plan, Page 4

Egypt refuses to fuel speculation on reforms

BY OUR MIDDLE EAST EDITOR

EGYPT IS fully committed to a major programme of economic reform but has resisted U.S. suggestions that it should *make a public statement on* precise policy aims, Dr Mustapha Said, the Minister of the Economy, said in London yesterday.

"We alone must be the people who will decide on the pace at which the programme will be implemented," he said. "To announce it in advance would be madness and a very silly economic decision because it would just fuel speculation."

Although the Minister declined to discuss details of his economic reform programme it is certain to include a substantial revision of the "open door" policy introduced by the late President Anwar Sadat in 1974.

Dr Said stressed that new investment *had to be the* top priority and that action had to be taken to restrain non-essential imports which had grown alarmingly over the past few years.

There would also be moves to tackle "cost/price relationships," which in effect means dealing with the potentially explosive issue of official subsidies on a wide range of items. "We know just what we have to do. We have a policy and a programme. The real challenge is *to implement it," said* Dr Said.

Dr Said confirmed that during talks in Washington last month he had sought an increase in U.S. aid, currently running at about $1.1bn a year, a request which is likely to have been repeated by President Hosni Mubarak last week.

The Minister, who is in London on a private visit, said Egypt had not suggested a specific increase and had not received *any promise of additional* help. Senior U.S. officials had responded with talks about the seriousness of the world recession and the size of the American budget deficit.

However, Dr Said said that U.S. officials had been *sympathetic* to Egypt's request for greater flexibility in the utilisation of official aid. Instead of aid being committed to a specific project, Egypt would like it directed to particular sectors.

The Cairo Government also wants greater flexibility in switching aid commitments from individual projects which have not proved viable, although this would require Congressional approval.

Dr Said expressed cautious optimism about overall aid levels, the balance of payments performance and Egypt's "manageable" external debt. Total debt was just over $17bn of which about 70 per cent was on a government-to-government *basis.*

Short-term obligations were at most $1.5bn and servicing the total debt required only 18 per cent of foreign exchange earnings.

Egypt had no need for the foreseeable future to have recourse to international markets and was not planning a fresh approach to the International Monetary Fund. A team from the Fund is due in Cairo next month and Dr Said said the opportunity would be taken to *establish "credibility, confidence and trust"* in the Government's economic policies.

The Minister added that Egypt's performance on current account had been far better than expected during the first *six months* of the financial year starting July 1, 1982. The deficit was just $398m, a trend which if maintained in the second half would produce a figure well below the estimated $1.5bn deficit for the full 12 months.

However, Dr Said admitted that the decline in world oil prices would hurt Egypt.

Argentina planned invasion 'for months'

BUENOS AIRES—The Argentine invasion of the Falkland Islands last April was planned three months in advance and was based on the assumption that Britain would make no serious attempt to recapture them, an Argentine military strategist said in an article published yesterday.

Retired General Juan Guglialmelli wrote in the magazine Estrategia (Strategy) that Gen Leopoldo Galtieri's military government took the decision to prepare an invasion immediately after it came to power in a coup in December 1981.

At first, the invasion plan was an option for use only if Argentine efforts to speed up negotiations on the islands' future bore no immediate fruit, said the general, who is former director of the country's war college and institute of higher military studies.

But lack of progress in a round of Anglo-Argentine talks at the United Nations last February reaffirmed the government's decision to go ahead with the invasion.

Gen Cuglialmelli's assertions are at odds with findings of the official British inquiry into the origins of the Falklands conflict published last month.

A committee under the chairmanship of Lord Franks concluded that the invasion had been ordered only a few days before it took place on April 2 and that the British Government was not to blame for having failed to foresee it.

Gen Guglialmelli said yesterday the landing of Argentine scrap merchants on South Georgia had not been a premeditated provocation aimed at justifying military seizure of the islands. Neither was the invasion decision taken to divert attention from domestic economic and political problems.

The general said the decision to attack had been based on two false assumptions—that Britain would accept the invasion as an accomplished fact and not make a serious attempt to recapture the islands, and that if Britain did decide to hit back, the U.S. would side with Argentina and prevent a military clash.

● The first of four West German-built frigates fitted with British turbines was handed over to the Argentine navy at a private ceremony in Hamburg yesterday.

Reuter

The Administration is under pressure to take a lead on Lebanon, writes **Reginald Dale,** U.S. Editor

Time runs short for Reagan's Middle East peace plan

U.S. Marines guarding Beirut . . . while Israel drags its feet on troop withdrawals from Lebanon

IF THERE are three points on which most observers of the Middle East would now probably agree (excluding for the moment the Israelis), they are the following. (1) Time in running out for a broader peace settlement along the lines proposed by President Ronald Reagan in his September 1 initiative last year; (2) Israel is more or less deliberately dragging its feet in the negotiations with Beirut on troop withdrawals from Lebanon; (3) It is increasingly urgent for the U.S. to do something. The question is what?

To King Hussein of Jordan and President Hosni Mubarak of Egypt, both of whom have put their case in Washington in the last few weeks, the answer is obvious. As a first step, Washington must exert pressure on Jerusalem, or "use its influence" as Mr Mubarak prefers to say, to reach a speedy agreement on removing Israeli forces from all Lebanese territory.

A withdrawal agreement would, in theory at least, unlock the door to a number of desirable consequences. Mr Mubarak would be able to begin rebuilding Egyptian relations with Israel, which have deteriorated sharply since the Israeli invasion of Lebanon. A major obstacle (perhaps the major obstacle) would be removed from the tortuous path of King Hussein and the Palestine Liberation Organisation (PLO) to the negotiating table. Mr Reagan's initiative, calling for Palestinian self-rule in association with Jordan, would be more or less back on course.

But time is short. There are now less than two weeks to go before the Algiers meeting of the Palestinian National Council, at which the U.S. is hoping that Mr Yassir Arafat, the PLO leader, will be authorised to explore further the possibility of negotiations with King Hussein.

Until Mr Reagan takes a lead, the U.S. will risk losing its Arab friends and Mr Begin will continue to set the pace and agenda both for Israeli-U.S. relations and for the excruciatingly difficult search for a Middle East peace.

King Hussein himself has set a March 1 deadline for the Arabs to give a green, or at least an amber light to the widening of the peace talks.

If an Israeli withdrawal agreement is not achieved soon, the Arabs are likely to lose confidence in Washington's leadership and Mr Menahem Begin, the Isareli Prime Minister, will be left free to spin out the negotiations with Lebanon until the advent of the U.S. electoral season turns the eyes of Washington politicians elsewhere.

The Reagan Administration is starting to suspect that this is indeed Mr Begin's objective. Mr Philip Habib, Mr Reagan's special Middle East envoy, is reported to have been appalled last month when he discovered the full detailed list of Israel's demands for a "normalisation of relations" settlement with Lebanon — demands which apparently went even further than its initial proposals for the peace treaty with Egypt.

The fear in Washington is that Mr Begin will use such demands to prolong the negotiations, keeping his troops in Lebanon and King Hussein away from the negotiating table. The pressure on Mr Begin to agree to a Palestinian autonomy agreement would thus be dissipated and Mr Reagan's initiative, which the Israeli leader has already flatly rejected, would simply fizzle out.

There is, however, a long way between recognising the danger and deciding what to do about it. So far, the U.S. has limited itself to showing its disapproval of the Israeli position by indefinitely postponing Mr Begin's next trip to Washington and disowning Israel's demand for monitoring stations in southern Lebanon after the main body of its forces leaves the country.

The Reagan Administration is also quietly delaying seeking Congressional approval for delivery of Israel's next batch of F-16 jet fighters.

With Mr Habib now back in Washington for consultations, the search is on for what more can be done, without uniting Israel behind Mr Begin — the likely, though as yet unproved, consequence of applying too much pressure in the U.S. view. Israeli opposition politicians have certainly made it clear in recent days that any real pressure would be counter-productive.

Leaked reports in Washington that the Administration is considering the drastic step of cutting off military aid to Israel so long as its forces remain in Lebanon have not been totally denied.

The Reagan Administration is still exceedingly, perhaps exaggeratedly, nervous about domestic Jewish opinion

The well-established tradition is not to pursue controversial Middle East policies when elections are under way—another reason why time is running out.

Jewish opinion is not, however, totally behind Mr Begin. Earlier this week, Mr Edgar Bronfman, head of the World Jewish Congress, the largest international Jewish organisation, distanced himself from the official Israeli line and said that Israel would have to make political concessions to secure peace.

Ideally, Mr Reagan needs to come up with a policy which unites U.S. public opinion behind him in the same way as his original September initiative, which even the Jewish lobby found something to say for.

One possibility would be to press more strongly for a freeze on Israeli settlements on the West Bank. That would please the Arabs, who feel that there will soon be little land left to negotiate about if the settlements continue unchecked. It would not, however, necessarily get the Israelis out of Lebanon.

Another might be to try to arrange some sort of U.S., or internationally backed, guarantee of the security of Israel's northern border—although that would not be to Israel's liking—while the Lebanese army is built up to take over the job.

An alternative approach would be to lean more heavily on Beirut to accept some of Israel's demands. The problem with that is that the Lebanese Government already seems more than willing to make some concessions, provided that they are private

There is, of course, no pat solution. Until Mr Reagan takes a lead, however, it will increasingly look as if Washington has "run out of ideas," as one Western diplomat put it this week.

The U.S., as Mr Mubarak has warned, will risk losing its Arab friends, and Mr Begin will continue to set the pace and the agenda both for Israeli-U.S. relations and for the whole excruciatingly difficult search for a Middle East peace.

Venezuelan agency may be declared in default

By Peter Montagnon, Euromarkets Correspondent

VENEZUELA'S state development agency Corporacion Venezolana de Fomento risks being declared legally in default tomorrow because of its continued failure to make good arrears on a foreign loan it had guaranteed.

The agency is being sued by the Hong Kong subsidiary of Nordic Bank, the London-based consortium, over a payment of $2.65m (£1.74m) due since last April on a loan raised by the tourism company Hoteles Vacacionales which it had guaranteed.

Despite repeated promises by Venezuelan ministers and other government officials that the money would be forthcoming, CVF had still not transferred the sum to Nordic Bank yesterday. The first court hearing into the case is scheduled for tomorrow.

Unless CVF pays the money by then or defends the case, the court is expected to empower Nordic Bank to seize the amount due from CVF's account in a large U.S. bank in New York. Nordic has already secured an attachment order against CVF assets in New York.

CVF's failure to pay the money so far was being blamed yesterday by foreign bankers on a "bureaucratic paralysis" in Caracas.

Strong dollar creates 'severe problems' for exporters

BY ANATOLE KALETSKY IN WASHINGTON

THE SHARP appreciation of the dollar over the past three years has not led to "a persistent" loss of competitiveness for the U.S., although it has created severe temporary problems for U.S. exporters and manufacturers of goods which compete with imports.

This is the general conclusion of an analysis of international pressures on the U.S. economy presented in yesterday's annual report of the Council of Economic Advisers.

U.S. trade with Japan, in particular, was badly hit by the fall in the yen relative to the dollar. But there was no evidence that Japanese Government policy had deliberately attempted to keep the yen persistently undervalued. the report says.

The yen fell partly because of gradual deregulation of Japan's domestic capital markets, which allowed a large outflow of capital from Japan. But the U.S. should support these changes "even though the result will be an increase in Japan's current account surplus." Because Japan's high domestic savings rate "gives Japan a natural role as an exporter of capital to the rest of the world," says the report.

In any case, U.S. industry's recent loss of competitiveness has been due to the appreciation of the dollar against all currencies, rather than the depreciation of the yen.

The "primary reason" for this has been "unusually high real interest rates in the U.S. relative to other countries."

These stem from large budget deficits and a faster than expected process of disinflation. The problem of the strong dollar and of large trade deficits will be resolved when these domestic macroeconomic problems are resolved

THE PRESIDENT'S Council of Economic Advisers yesterday appeared to throw its weight behind proposals for major changes in the laws governing banking in the U.S., writes Paul Taylor in New York.

The council, in a section of its report dealing with financial institutions deregulation, said the 1933 Glass-Steagall Act, one of the twin pillars of U.S. bank regulation for half a century, "now makes no important contribution to the protection of the public against bank failures or undue concentrations of economic power."

"Other government measures such as federal deposit insurance and broadened and strengthened federal supervision appear to have been more effective in this role," the council said.

The council also recognised that the Act, which bars banks from most areas of the securities industry, has been eroded in recent years as both banking organisations and securities firms have attempted either directly or indirectly to enter each other's traditional lines of business.

While the financial and securities industries now operate relatively unencumbered by unnecessary regulations, the council said "several opportunities for further deregulation remain."

First 'peace candidate' enters presidential race

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

SENATOR ALAN CRANSTON of California, an impassioned supporter of a nuclear weapons freeze, yesterday became the first Democrat to announce his formal candidature for the Presidency in 1984.

Mr Cranston, 68, who enters the race some way behind the two leading contenders in the Democratic race, former Vice-President Walter Mondale and former astronaut Senator John Glenn of Ohio, is so far little known outside his home state.

He is gambling on what he believes to be the strength of anti-nuclear feeling in the country, rather than focusing on the more conventional issues of economic policy and unemployment like most of his rivals. Yesterday, he sought to grab national attention by presenting himself as the first major "peace candidate" for President since the Vietnam war.

If elected, Mr Cranston would be one year older than President Ronald Reagan when he won the Presidency in 1980—a factor that many political experts believe will weigh heavily against him. Mr Cranston, however, has long publicised his prowess as a physical fitness enthusiast—he holds a record in his age group for the 100-yard sprint.

UK struggles for entry to isolationist Burma

BY STEPHANIE GRAY, RECENTLY IN RANGOON

WHEN Mr Peter Rees, the UK Trade Minister, took his mission to Mandalay recently, he can hardly have thought there was much chance of selling the Burmese a Leyland bus, let alone an underground railway system. More appropriate might have been new axles for the hundreds of pony-carts which provide civilians with alternative transport to the tri-shaw.

The only motorised vehicles in the town are military ones, in the garrison behind the high walls and moat of the fort. This protected the splendid palace which housed Mr Rees's grandfather, as Governor, and his father, as the Governor's private secretary, before it was destroyed in the 1945 battle to drive out the Japanese.

Ironically, the 170,000-strong Burmese army's trucks, jeeps, armed personnel carriers and motorcycles—apart from the odd ancient Triumph—come from Japan.

In Rangoon, where civilian motor vehicles are more commonplace, locally assembled Japanese cars are slowly replacing the likes of 30-year-old Bel Air Chevrolets on the capital's neglected streets.

In the oil fields and mines, jealously guarded from the influence of foreigners, the Japanese alone have been invited to participate in the provision of new technology.

Proof, perhaps, that the Japanese never really left, this provides an eloquent testament to the $200m (£131m) which Japan, Burma's leading aid donor, pours into the country each year.

The investment, half of it grant and half soft loans, is partly a hangover from the days of the War Reparations Commission and partly compensation for Burma's massive trade imbalance with Japan.

About 40 per cent of Burma's imports are Japanese. In 1981, they were worth $249m, while Burma's exports to Japan amounted to only $63m. All this in a country which has taken an almost aggressively isolationist stance for more than 20 years.

By contrast, the recent boost to trade with Britain, largely on the back of contracts with John Brown Engineering for generator sets and diesel engines, appears insignificant. Last year, Britain's exports to Burma reached £40m, up £12m on 1981's figures, while imports stayed at about £4m. UK bilateral aid averages only £3m a year.

Nevertheless, the value of an aid component in business with the Socialist Republic of the Union of Burma was not lost on Mr Rees. His visit resulted in all but certain prospects for British companies in the £30m expansion of a state pharmaceuticals plant — involving Cementation and APV International—and the £12.4m modernisation of a textiles factory by Platt Saco Lowell. These, along with other projects "on the table," are backed by an offer of £7m under the Aid Trade Provision.

In a wider context, aid, together with a remarkable agricultural revolution, is largely responsible for the constant 7 per cent annual growth rate registered by the official economy over the past four years—a pace likely to be maintained at least for the next three. Few, however, are prepared to guess the size of a vast black economy.

Total bilateral and multilateral concessional loans and grants exceeded $500m in 1981, an increase started in the mid 1970s after years of stagnation, which is also set to continue.

Much of the contribution from multilateral aid agencies—the World Bank and the Asian Development Bank lead the field—is untied, so projects funded through these loans present still further possibilities for the British.

Thus, the new interest of the Department of Trade and a good credit rating from the Export Credits Guarantee Department, are by no means the only spur to further UK trade.

A per capita income, estimated on official statistics last year at less than $200, makes Burma, with its 35m Buddhist population, the world's 10th poorest country. But the British, perhaps more than most, realise its enormous scope.

Its forest and water resources, oil and other mineral deposits make it potentially the richest in Southeast Asia. Abundant fertile land means Burma is one of the few developing nations able to be a net food exporter.

On the other hand, few in Rangoon would agree with the UK Trade Department's assertion that a chink is appearing in Burma's closed door to foreign private investment, despite a queue of would-be candidates.

As long as Gen Ne Win, the country's strongman, is pulling the strings, little change is expected in the isolationist policies he instituted when he came to power in 1962. While his phobia about foreign influence appears to be purely whimsical, it is rooted in the country's traditional reservations about foreign influence and its fear of being overrun from either India or China.

There is no doubt that Gen Ne Win is still in charge, despite his standing down last year as president. Aged 70, he is nevertheless in good health and the chances are that, when he does go, his successor will follow exactly the same line, with the strange mix of socialist beliefs, autocratic, and military power, heavily influenced by Buddhism, which is the foundation of the Burma Socialist Programme Party. The appointment last year of U San Yu as president has changed nothing.

Further, the UK Trade Department's view of "new" political stability in Burma seems somewhat spurious as an argument for renewed interest. The country's stability is by no means new, despite ongoing skirmishes in the northern and eastern states with dissident tribes. At least 50 per cent of Burma's territory and 30 per cent of its people are under control of the rebels.

Nevertheless, the British can take some good cheer from a good deal of Burmese nostalgia for the country's period as a UK colony, even though the clean streets and elegant buildings of that era are now in a state of acute decay.

One encouraging signal might be Gen Ne Win's decision last year to lift his ban on the teaching of English in schools.

However, says one Western diplomat: "People have rather romantic memories. They forget what it was really like when the British were here."

Mr Peter Rees

Lord Carrington, the former British Foreign Secretary and currently chairman of GEC arrived in the Burmese capital yesterday for a four-day visit. His visit follows that of Mr Peter Rees, the Trade Minister, last month, writes Chit Tun in Rangoon. Lord Carrington is expected to acquaint himself with GEC operations in Burma, where the company has supplied Kelvin diesel engines for rivercraft owned by the state Water Transport Corporation and also lighting facilities for Rangoon Airport.

GEC is understood to be negotiating with Burmese authorities for contracts to renovate Rangoon's thermal power station and also to modernise the power distribution system at a cost exceeding £20m.

Portugal to treble import surcharge

By Diana Smith in Lisbon

THE PORTUGUESE government has ordered that a 10 per cent import surcharge introduced in 1975 to try to discourage superfluous imports must be trebled to 30 per cent.

The governors of the Bank of Portugal recommended this measure to the Balsemao Government late last year, as part of a package aimed at reducing reliance on imported goods and equipment.

The 1982 visible trade deficit was close to $5bn—an improvement on 1981, but still too large for Portugal's limited means.

The higher import surcharge, which comes into effect immediately, will be reflected in prices to the consumer of all imported goods.

Many durable consumer goods and luxuries, meanwhile, are now liable to punitive customs duties and sales tax, but conspicuous consumption is still high.

Libyan orders for Malta

LIBYA is to place M£22m (£33m) worth of orders for Maltese goods this year, according to a trade accord signed between the two countries, writes Godfrey Grima in Valletta.

This was revealed by Mr Joe Grima, Malta's Industries Minister, at the start of a visit by a Libyan delegation, which is in Malta to identify goods required by Libya and to discuss trade volume.

Swiss tourism shows fall

SWISS TOURISM showed a slight decline last year after the record figures of 1981, John Wicks writes from Zurich.

According to a Government report, the number of overnight stays in tourist accommodation dropped by some 3.5 per cent to 76.2m.

The trend was the result primarily of an estimated 6 per cent fall in visits by foreign tourists, due to unfavourable economic conditions in neighbouring countries and the high value of the Swiss franc.

Bonn resolves to be more flexible on export insurance

BY JAMES BUCHAN IN BONN

THE BONN Government yesterday resolved to be more flexible in the provision of state-backed export insurance in an effort to stimulate exports and create jobs.

At its meeting yesterday, the Bonn cabinet agreed that export insurance provided through the Hermes organisation would be less sensitive to the risk involved in business with developing countries where indebtedness has increased sharply since last year.

Yesterday's announcement will be welcomed by West German industry, which has been pressing Hermes to be more flexible since the West German export boom tailed off last year.

Although, in 1982, West Germany enjoyed a record balance of trade surplus of DM 51.2bn (£12.2bn), export orders have fallen in the second half, not least because of payments difficulties in several developing country markets.

Last year, Hermes made payouts of between DM 700-900m in export insurance, according to preliminary government expectations, against DM 770m in 1981, a year marked by difficulties in Poland. However, last year's payouts were within budgetary expectations, the government said.

Government spokesmen insisted that the new approach would not alter the detailed evaluation of risk.

As part of a generally greater willingness to take risk, the Bonn government will also be ready to provide export insurance to those countries restructuring their foreign debt in co-operation with the International Monetary Fund and commercial banks.

AP-DJ reports from Singapore: The U.S. Eximbank is keen to support American companies that are making a bid to supply equipment, machinery, services or construct the proposed mass transit rail system for Singapore, a spokesman said yesterday.

He said the bank successfully financed a similar transport system in Seoul, South Korea.

Mr Leroy Laroche, deputy vice-president of the Asian division, said the bank was interested in financing the sale of U.S.-made power generation machinery, aircraft or other U.S. products to Singapore.

Warning on import curbs issued by Lord Luke

BY OUR WORLD TRADE STAFF

IF IMPORT barriers were put up in one country "then everywhere else the barriers would go up," Lord Luke, president of Britain's Institute of Export, warned yesterday.

"Each country would try to export unemployment," he told guests at the Export Lunch, 1983, in the City.

"It might be better to follow the text book's advice on strategy, and reinforce success," Lord Luke said. "In export terms in the UK, this means conserving and indeed, perhaps, enhancing the resources of the Export Credits Guarantee Department.

"It means putting the nation's heart and soul into making a success of the European Economic Community. It means giving freedom to those with the skill and the will to do well."

Lord Luke said that in 1982, as in other years, exporters had done their best and he was sure they could continue the good work in 1983.

"This should be remembered when one is tempted to make it more difficult for imports to enter the UK," he added.

● Davy McKee of the U.S. has been awarded a contract by the New Energy Corporation of Indiana for engineering, procurement, construction, commissioning and start-up of a $186m anhydrous ethanol project to be built in Indiana.

It is the first ethanol facility to be built with U.S. Department of Energy financial backing.

The plant is due for completion in 1984 and will produce 52.5m gallons per year of denatured fuel grade ethyl alcohol using a feedstock of No. 2 yellow dent shelled whole corn.

Europe's textiles face change

BY ANTHONY MORETON, TEXTILE CORRESPONDENT

THE EUROPEAN textile industry will look very different by the end of the 1980s. A large number of small, flexible producers, catering for a limited range of customer, will co-exist with large companies turning out a comprehensive range of goods.

Dr John McPhee, deputy managing director of the International Wool Secretariat and president-elect of the Textile Institute, put forward this view of the future last night at the 1983 Illingworth Morris lecture in the Wool Textile Industry in the 1980s near Bradford, west Yorkshire.

He said severe competition from outside Europe would continue "since producers in developing countries are increasingly making a broader range of more fashionable goods than in the past."

Producers would have to meet demand quickly, be flexible in design and in the use of fabrics to counter this competition. Some European companies already meeting these conditions, were offering more acceptable styling at more competitive prices than some years ago, he said.

Dr McPhee forecast that the depressed state of the textile and garments industries had to be accepted

The European industry must now find a way to adapt the post-war production system to future needs under conditions unlikely to be sustained by strong growth.

It must further its product and market research and development.

Hindusthan car pact with Isuzu

BY K. K. SHARMA IN NEW DELHI

HINDUSTHAN MOTORS, the Birla-owned automobile company of Calcutta, which makes the Ambassador car based on designs of the Morris Oxford of more than 30 years ago, is to sign an agreement with Isuzu of Japan for the manufacture of modern, fuel-efficient cars in India.

This is the second major Japanese success in the Indian automobile industry. Suzuki Motors last year signed an agreement with the Government-owned Maruti Udyog for a joint venture to manufacture cars and pick-up vans.

Hindusthan Motors is to sign an agreement with Isuzu for the manufacture of a 1.8-litre engine for its cars as well as a complete "power train" that will include the driving axle, gear box and differential. This will be mounted on a frame being built by Hindusthan Motors in collaboration with Vauxhall of Britain.

Hindusthan motors is expected to import from Isuzu the technology to make both petrol and diesel engines as part of its Rs1.5bn ($150m) modernisation plan to meet the competition from the new Suzuki-Maruti car, which is expected to come on to the market later this year or early in 1984.

The company made a gross profit of about Rs300m on an equity of Rs1.1bn in 1981–82 despite difficult market conditions in India.

The Government is now examining a proposal for the reduction of exciese and customs duties on car components

Setback for Yacyreta dam project

BUENOS AIRES – A joint project between Argentina and Paraguay to build a hydroelectric dam at Yacyreta on the River Parana has received a setback because of a proposal by the construction consortium which could postpone start-up for up to two years, according to Argentine Government officials quoted by the independent daily clarin.

The Franco-Italian consortium Dumez-Impregilo yesterday proposed that participation in the construction of the project, designed to produce 2,700 MW, should be 30.75 per cent Argentine, 12.25 per cent Paraguayan, 53.5 per cent the consortium's and 4.5 per cent that of other foreign construction companies.

The consortium involves the French company Dumez SA and the Italian, Impregilo SpA.

Paraguayan companies involved in the project have said they will not accept less than 25 per cent participation in the civil works, the Argentine officials noted.

The officials said Argentina was ready to negotiate the proposal

They said any increase in the Paraguayan share would have to be matched proportionately with an increase in that of Argentina.

Agencies

BASE LENDING RATES

A.B.N. Bank	11 %	Gulf G'tee Trust Ltd.	12 %
Allied Irish Bank	11 %	■ Hambros Bank	11 %
Amro Bank	11 %	Hargrave Secs. Ltd.	11 %
Henry Ansbacher	11 %	Heritable & Gen. Trust	11 %
Arbuthnot Latham	11 %	■ Hill Samuel	§11 %
Armco Trust Ltd.	11 %	C. Hoare & Co.	†11 %
Associates Cap. Corp.	11 %	Hongkong & Shanghai	11 %
Banco de Bilbao	11 %	Kingsnorth Trust Ltd.	12 %
Bank Hapoalim BM	11 %	Knowsley & Co. Ltd.	11½%
BCCI	11 %	Lloyds Bank	11 %
Bank of Ireland	11 %	Mallinhall Limited	11 %
Bank Leumi (UK) plc	11 %	Edward Manson & Co.	12 %
Bank of Cyprus	11 %	Midland Bank	11 %
Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	11 %
Banque Belge Ltd.	11 %	National Westminster	11 %
Banque du Rhone	12 %	Norwich Gen. Tst.	11 %
Barclays Bank	11 %	P. S. Refson & Co.	11 %
Beneficial Trust Ltd.	12 %	Royal Trust Co. Canada	11 %
Bremar Holdings Ltd.	12 %	Roxburghe Guarantee	11½%
Brit. Bank of Mid. East	11 %	Slavenburg's Bank	11 %
■ Brown Shipley	11 %	Standard Chartered	‖11 %
Canada Perm't Trust	11½%	Trade Dev. Bank	11 %
Castle Court Trust Ltd.	11½%	Trustee Savings Bank	11 %
Cayzer Ltd.	11 %	TCB	11 %
Cedar Holdings	11 %	United Bank of Kuwait	11 %
■ Charterhouse Japhet	11 %	Volkskas Intl. Ltd.	11 %
Choulartons	11½%	Westpac Banking Corp.	11 %
Citibank Savings	¶ 9 %	Whiteaway Laidlaw	11½%
Clydesdale Bank	11 %	Williams & Glyn's	11 %
C. E. Coates	12 %	Wintrust Secs. Ltd.	11 %
Comm. Bk of N. East	11 %	Yorkshire Bank	11 %
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%, 1-month 8.25%. Short-term £8,000/12-months 10.8%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8½%, £50,000 and over 9½%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

Employers oppose change in shop hours

By Kevin Brown

THE Confederation of British Industry (CBI), the employers' organisation, has joined opposition to a parliamentary Bill which intends to liberalise late night and Sunday trading.

The private member's Bill sponsored by Mr Ray Whitney, a Conservative Member of Parliament, will come before the House of Commons for its second reading tomorrow. The Government's attitude to the Bill has wavered between lukewarm support and strict neutrality.

The shopworkers' union, the Union of Shop, Distributive and Allied Workers (Usdaw), has mounted a campaign to try to prevent the Bill from becoming law. It has urged, instead, an inquiry into anomalies in the present laws, which permit the sale of certain goods on Sundays but prohibit others.

The trading laws, which also restrict the hours at which a shop may open, are widely broken and enforcement depends on the attitude of the local authorities.

Yesterday, Mr Kenneth Edwards, the CBI deputy director general, said most retailers were against "a hasty change" and he warned that prices could increase if higher costs were not matched by extra trade.

"We are not saying that the present shop hours law is perfect and should not be altered. What we are saying is, if a change is to be made, let us get all the factors into account and get it right," he said.

Mr Ted Graham, a Labour MP and a leading opponent of Sunday opening, complained yesterday that the issue should not have been left to a private member's Bill.

Britain to consider major changes to railway system

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

THE GOVERNMENT is considering a major reorganisation of British Rail in response to the recent independent Serpell Committee report on the future of the railways in Britain.

It might involve the formation of separate companies out of present divisions such as Southern Region; greater decentralisation; and the introduction of private capital into BR services such as catering.

Mr David Howell, Transport Secretary, will emphasise today in the House of Commons debate on the Serpell report that he intends to use the report as a stepping stone to major reforms within BR.

Mr Howell has made no secret of his annoyance over the selective leaks of the Serpell report before publication two weeks ago. He feels that they have distorted the way in which the future of BR should be debated.

He will attempt to discount widespread fears that the Government intends to use the report as an instrument for large cuts in the network – although not ruling out some closures – and concentrate on the need for radical structural changes.

The Government intends to steer the debate on BR towards the need for organisational changes to make the railways more efficient and improve the service without increasing the cost to the taxpayer.

In the short term, the measures to cut costs already being pursued by BR will be intensified.

Mr Howell's aim is that the longer-term changes will be decided upon in outline at least as the brief for the successor to Sir Peter Parker, BR chairman, who will leave in September at the end of his contract.

The decision as to whether the successor will be a full-time or part-time chairman, or an internal or external appointment, has not yet been made. But the hope is that the appointment will be made in time for the chairman-elect to work alongside Sir Peter for a short period.

The introduction of private-sector finance into certain BR services is not likely to be opposed by the board of BR. A first small step towards contracting out train catering on the Victoria to Brighton and Bognor Regis lines is already under discussion between a private company and Southern Region.

Sir Peter Parker: Chairman of British Rail

More fundamental changes, such as a delegation of power to the regions – particularly Scotland and Wales – over the allocation of government financial support towards public transport, including the railways, could prove more controversial.

The granting of greater autonomy to certain operating divisions, perhaps even reverting to pre-nationalisation companies, presumes substantial structural changes.

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Water Council offers fresh talks

BY PHILIP BASSETT, LABOUR CORRESPONDENT

WATER employers last night offered to reopen negotiations with leaders of 29,000 striking water workers on ways of improving their earnings, which has been seen as a possible solution to ending the industry's first all-out national strike. The strike began 11 days ago.

This was seen in some union quarters as a significant breakthrough, although some water authority officials said it was no more than a restatement of the employers' present position.

However, the employers previously have been privately insistent that they would not negotiate on the recommendations of Mr Ian Buchanan, a mediator appointed by the Advisory, Conciliation and Arbitration Service (Acas). As well as an award of a 7.3 per cent pay increase over 16 months, he suggested ways of improving earnings through productivity and administrative economics.

A statement issued last night by the National Water Council said: "The employers are ready and willing to have immediate negotiations with the unions about increasing water workers' earnings in return for improved productivity, as recommended by the mediator."

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Two Stock Exchange members expelled

By John Moore, City Correspondent

TWO MEMBERS of the Stock Exchange have been expelled by the market's ruling council after a disciplinary committee judged that they were guilty of "gross misconduct."

They are Mr Ian McEwan, a former consultant of Buckmaster & Moore, the stockbrokers, and Mr John Arnot Thompson, a dealer in government securities with stockjobbers Akroyd & Smithers until his suspension from the firm last April.

The Stock Exchange, announcing its decision yesterday, said the two members had been found to have "acted in a manner detrimental to the interests of the Stock Exchange and in a dishonourable and disgraceful and improper manner and in a manner unbecoming the character of a member."

The disciplinary proceedings arose after Buckmaster & Moore and Akroyd & Smithers notified the Stock Exchange last year about events which took place between April 1 1981 and April 1 1982.

Charges later brought against the two men by the Stock Exchange concerned the personal dealings of Mr McEwan in the short-dated gilt-edged (Government stocks) market where he had dealt for his own account.

Since 1973 Mr McEwan had been a friend of Mr Thompson, who was an associated member with Akroyd and from 1979 a dealer in short-dated gilts.

Buckmaster & Moore said yesterday that Mr McEwan's transactions were entirely personal, did not include any third party and had not caused a loss to the firm or any of its clients.

Boots plans to close 126 Timothy Whites stores over two years

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

TIMOTHY WHITES, one of the most famous names in British retailing, is to disappear following the decision yesterday by Boots, the pharmaceutical and retail company, to close the 126-strong chain over the next two years.

About 750 jobs will be lost although Boots hopes to keep the number of redundancies down by natural wastage.

The decision to sell the stores – which could raise about £40m at current property values if all are sold – is the first step in a new retailing strategy for Boots.

Dr Peter Main, the company's chairman for just over a year, and other senior managers have developed the new strategy to try to improve Boots' static profits performance in recent years from its retailing operations.

Boots has decided to open about 130 "shops within a shop" called "Boots Cookshops" which will offer a similar mix of kitchenware and household goods that Timothy Whites has traditionally sold.

Boots' market research has shown considerable market potential for sales of kitchenware and other products – especially since it has a high proportion of women customers – but it felt that the Timothy Whites image and outlets did not offer the right vehicle for expanding this operation.

Under the plan some 80 specialist "Cookshops" will be opened in larger Boots stores in areas where there are no Timothy Whites stores at present. A further 50 Timothy Whites stores will be transferred to in-store cookshops in towns where both Boots and Timothy Whites are represented.

The remaining Timothy Whites outlets will be closed over a two year period, although a few may be transformed into Boots stores

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Cabinet postpones budget decisions

By Peter Riddell, Political Editor

KEY decisions on next month's budget are being left until much later than usual because of uncertainties over the direction of U.S. interest rates, of sterling and of the oil price.

Sir Geoffrey Howe, the Chancellor of the Exchequer, is expected to underline the problems created by these international uncertainties when he speaks at this morning's Cabinet discussion on the budget outlook.

The size of tax cuts will not be determined until later.

The signs are that the Cabinet debate will be much less heated than in previous years. This is partly because of the approach of the election and partly because the few remaining "wet" (more liberal) ministers in the Cabinet are resigned to a continuation of present policies.

There is also inevitably less pressure when virtually everyone is expecting tax cuts of between £1bn and £2bn.

The main debate is about priorities, in particular the balance between cuts in personal taxes and help to industry. The predominant view of ministers and Conservative backbench Members of Parliament is in support of increases in income tax thresholds, rather than a cut in the basic rate. But some supporters of Mrs Margaret Thatcher, the Prime Minister, still favour a lower basic rate, and they generally want more relief to go to personal taxpayers rather than to industry.

Help for industry through concessions on energy costs and a reduction in, or the abolition of, the employers' national insurance surcharge is especially favoured by a group of ministers and MPs with close manufacturing and regional connections.

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Reserves fall to lowest level for four years

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN'S official reserves fell by an underlying $353m in January to $16.85bn (£11bn). The fall was less than expected by the markets, which believed that the Bank of England intervened in the foreign exchanges quite heavily earlier in the month to support the pound.

Official figures, published yesterday, show that the reserves are at their lowest since February 1979. The fall in January follows an underlying drop of $856bn in December when the Bank of England was intervening in the currency markets more substantially than had been its recent practice.

Since November, when sterling started its recent slide, its value has fallen by 11 per cent against a trade-weighted basket of currencies.

The reserves figures suggest that the Bank has spent about $1.5bn defending the pound during the period, although details of intervention are never revealed.

Although this is a substantial sum, it is not large in comparison with intervention in previous periods of sterling's weakness, nor with the recent moves by the French authorities to defend the franc.

Court likely to support merger

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

JUDGMENT will be given in the High Court today on Anderson Strathclyde's attack on the controversial decision by the UK Trade Minister Mr Peter Rees, to allow a bid for Anderson by Charter Consolidated to go ahead, in spite of a Monopolies Commission recommendation to the contrary.

The indications are that the two judges will refuse the Scottish mining machinery company's claim for an order quashing the minister's decision.

Half of Anderson's argument collapsed yesterday when its lawyers were unable to put before the court any evidence about the manner in which Lord Cockfield, the Trade Secretary, passed on the job of deciding on the bid to Mr Rees.

Then when Mr Simon Brown, counsel for the two ministers, embarked on his response to the remainder of Anderson's case, he was soon cut short by the judges.

Anderson said that Mr Rees abused his legal discretion by deciding not to accept the 4–2 majority recommendation of the Commission that the merger should not be allowed to go ahead. He also erred in dismissing as "speculative" the majority's view that the merger would adversely affect the public interest.

The company also sought to establish that Lord Cockfield was not entitled to ask Mr Rees to make the decision.

UK plans £100m store for spent nuclear fuel

BY FINANCIAL TIMES REPORTER

BRITAIN'S Central Electricity Generating Board has drawn up plans to build a special £100m store for irradiated fuel from its advanced gas cooled reactors.

No decision has yet been taken on either to go ahead or on a choice of location, and it is unlikely that such a store will be in operation before 1990.

Previous plans have been to hold spent fuel at the power station sites before transporting it by rail direct to the British Nuclear Fuels (BNFL) reprocessing plant at Sellafield in Cumbria.

The store is aimed at catering for CEGB needs at a time when long-term decisions on reprocessing capacity have yet to be taken. But the store could also provide a temporary alternative in case BNFL reprocessing prices became uncompetitive.

The store could be developed by adding modules to a basic above-ground building 1,000 ft by 165 ft containing 30 vaults each capable of holding 210 tonnes of irradiated fuel for at least several decades.

Dr John Wright, a director of the CEGB's technology planning and research division, told the Sizewell B inquiry yesterday that the future of reprocessing in Britain was uncertain after the lifetime of the THORP (thermol oxide reprocessing) plant, work on which has started at Sellafield.

Energy use falls 2%

BY CARLA RAPOPORT

ENERGY consumption in Britain slumped for the third successive year in 1982.

Provisional statistics released by the Department of Energy yesterday show that the UK used 2 per cent less energy in 1982 compared with 1981. A significant proportion of the decline was the result of energy efficiencies, but the bulk was due to the continued economic recession.

Energy use dropped most sharply in the fourth quarter of 1982, when the consumption of primary fuels dropped by 5.1 per cent to 85.3m tonnes of coal equivalent.

Coal consumption fell by 9.8 per cent, petroleum consumption by 5.9 per cent and that of natural gas by 3.1 per cent.

For the year as a whole, total energy consumption was equivalent to 310.9m tonnes of coal, 6.2m tonnes less than 1981. Coal consumption fell by 6.3 per cent and natural gas by 1.8 per cent.

Britain's production of oil jumped by 15.7 per cent in 1982, and, for the first time, annual total topped 100m tonnes. Provisional figures show an output for the year of 103.4m tonnes.

Britain's production of nuclear and hydro-electricity rose by 14.6 per cent to 18.3m tonnes of coal equivalent.

New 'triple alliance' call

BY CHRISTOPHER LORENZ AND BRIAN GROOM

A NEW bid to strengthen and enlarge the "triple alliance" of coal, steel and rail unions is in progress, according to Mr Arthur Scargill, president of the National Union of Mineworkers.

Interviewed in Davos, Switzerland, at a conference at which he addressed 500 top European managers, Mr Scargill said a conference was likely to be held "very shortly" to reinforce the alliance. He requested its convention as long ago as last May.

In addition to the unions originally in the alliance – the NUM, the Iron and Steel Trades Confederation and the National Union of Railwaymen – a number of others in the three industries may be invited, Mr Scargill said.

These could include the train drivers' union Aslef, the Transport Salaried Staffs Association, the pit deputies' union Nacods, and other steel unions.

Preliminary agreement on enlarging the alliance has been reached

Car union discusses lifting ban

UNION shop stewards said yesterday they wanted "certain guarantees" before they would agree to call off their proposed ban on imports of the Vauxhall S-Car, made in Spain.

Vauxhall announced on Tuesday plans to boost production at two UK plants, and leaders of the Transport and General Workers Union at the company's plants are considering whether this justifies lifting their S-Car embargo. Vauxhall intends to start imports in the spring.

Passport scanner

LONDON'S Heathrow Airport has become the world's first airport to install a computer to scan "machine-readable" passports. The intention is to speed immigration checks.

The U.S. is the only country to have issued machine-readable passports, but other countries are considering the idea.

More failures

BUSINESS failures rose 65 per cent in January compared with the same month in 1982, according to Trade Indemnity, the credit insurance underwriting company. With the exception of furniture and upholstery, all main trades suffered sharp rises in business failures.

Less beer brewed

BEER production in the UK fell by 3.1 per cent last year to 36,531,896 bulk barrels, against 37,714,392 bulk barrels in 1981. It is the lowest figure since 1972.

Michelin strike

THE workforce of 3,700 men at the Michelin tyre company's plant at Stoke-on-Trent was called out on a 24-hour strike yesterday. The protest was at proposed weekend working in the lorry retread department.

FT dispute

THE DEADLINE for a strike by Financial Times' machine managers in London expires tonight amid hopes that sufficient progress has been made in informal discussions to avert or postpone industrial action. The dispute concerns pay, differentials and working conditions.

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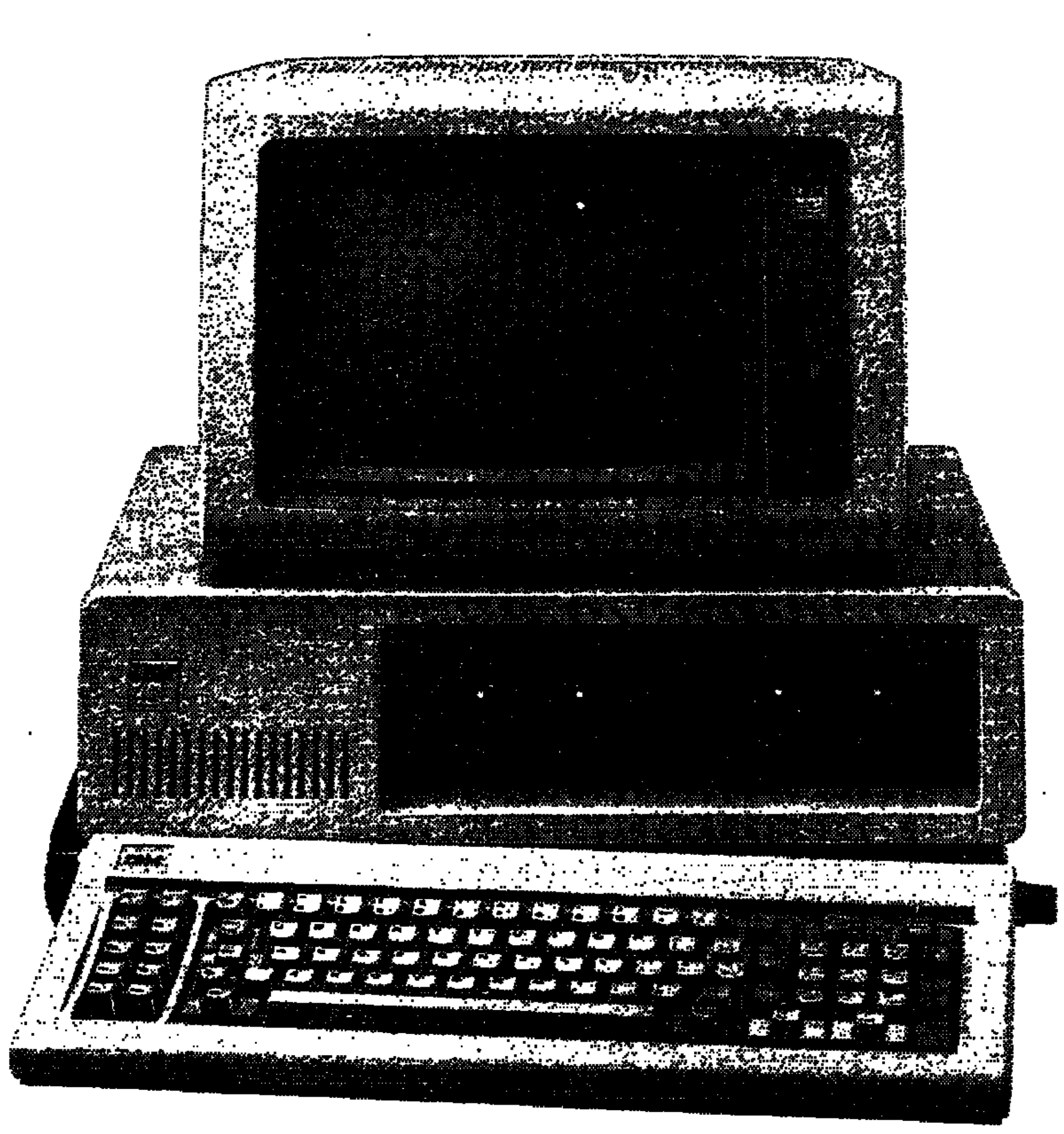
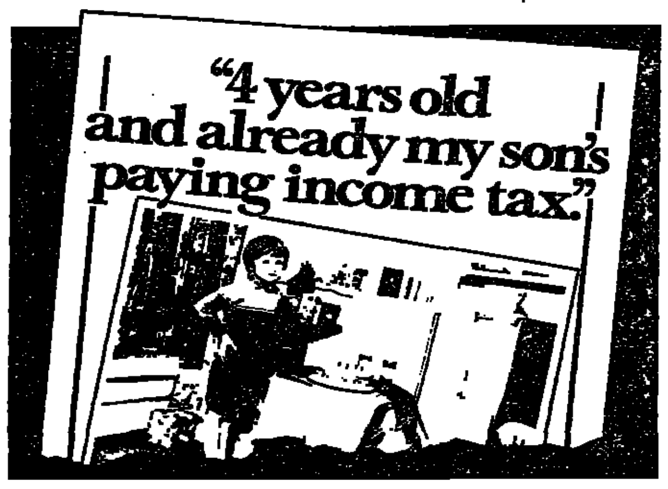


THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Advertising: by Feona McEwan

Banks bid to hook junior savers



Lloyds' message to the parents of Young Savers

A NEW breed of saver is being nurtured in Britain's high streets. He or she may not be able to talk or walk yet and will certainly be under 15. But he is much sought after by two leading banks and a handful of building societies.

In the race to attract the nation's unbanked (estimated by clearing banks to be 14m people over 15 years old in England and Wales alone) the spotlight has already been turned on school-leavers and students.

Now it's the turn of their younger brothers and sisters to be wooed and won. Even babies are possible candidates, though, of course, such accounts would be in the parents' names.

In this tussle for the toddler and his funds, hints of the playground take the form of Snoopy doghouse money boxes and savings stamps (Bristol and West); Paddington Bear (Cheltenham and Gloucester); Mickey Mouse, magazines and savings competitions (Abbey National) and rocket money boxes and writing sets (Chelsea).

But this is no game. Habits die hard and what starts out as a game, the reasoning goes, will turn into a lifetime's loyalty.

Latest to enter the fray is Lloyds, which launched its Young Savers scheme for 7- to 12-year-olds on a timely December-January holiday burst of artful advertising from Lowe and Howard-Spink, on television and in the Press.

Eight weeks and £600,000 later, the bank has been inundated with 200,000 new savers the majority of which were first timers. About a quarter of the parents who came forward on behalf of their children were already Lloyds customers. By comparison, Barclays, which was the first bank nationally to operate a savings account scheme specifically for children back in March 1982 with its Super Savers scheme, reports 140,000 since then.

Though children's savings accounts are nothing new, they've tended to be, as Lloyds marketing head, Colin Trussler, puts it, "a fairly low-key product with static level of growth. Now for the first time we've specifically designed and marketed a strategy aimed directly at youngsters."

The Young Savers kit includes elaborate personal "cheque-card," pay-in book, account book, ruler, rubber, pen and a money box divided for different coins.

The advertising brief was plain enough but less than obvious to execute: "to increase lodgements in the private sector among the young," as Frank Lowe remembers it.

The campaign message rests on the fact that bank interest, unlike building societies, is free of tax deductions, a point which the telly ad cleverly puts across. Lloyds agrees. "The element of advertising in this is critically important. So often banks do things and fail to communicate them," says Trussler.

It was from a mountain of research, analyses, facts and figures that Lowe and Howard-Spink dug up its main message on interest rates. It also learnt from Lloyds' research that children did not want a toytown approach to savings, preferring to be taken seriously as young adults. "This" says Lowe, "gave us the cue for our approach."

Before all this, Barclays had, nine months earlier, launched its Super Savers scheme on a cornflake, or rather 30m packets of them, in a promotion with Kellogg's and its agency J Walter Thompson, which reached an estimated half of all UK homes. The idea, aimed at 12- to 16-year-olds, was to save the 50p coupons up to a total of 10 and cash them in at a relevant bank (Bank of Scotland and the Allied Irish were also involved) where the bank would match it with up to £5 cash and open a deposit account.

What then of the building societies, many of which had been in the youth market years earlier? Reactions to the Lloyds campaign are summed up by one disgruntled society man who said: "The ad seemed to be on TV nearly every night over Christmas—it made me sick."

Leeds Permanent, which has run in-house promotions every December for the last three years, reports it is looking into the area of children's savings accounts though it has no plans to join the Bear/Mouse/Snoopy brigade. "We can't take our normal marketing stance since children are not obviously going to benefit from the income tax arrangements."

The Abbey National with the help of press advertising only chalked up 200,000 new accounts in 1982, a 50 per cent growth on the 400,000 gained since the launch in 1978.

Halifax took a more oblique view. "Our approach is that since kids are not tax payers they'd do better not being in a building society, though the facility is available." Instead it pursues an educational line in schools, preaching thrift and the value of saving generally.

For Bristol and West, advertising the Snoopy scheme has up to now had to be point of sale only since John Barr, the soft drinks manufacturer also had a franchise for it. This is likely to change in the next three weeks. Nonetheless some 25,000 new accounts have been opened since the launch in July 1982.

Product design

Wedgwood's diversification dilemma

THE picture is all too familiar. Slumping demand and soaring competition have slashed profits by almost two-thirds and employment by well over a third. The company seems condemned to withdraw into a fortress mentality, saving every possible penny (or cent) and concentrating all managerial efforts on salvaging what is left of the business for better days ahead—whenever that may be.

In such a state of extremis, management's common reaction is to pull the business "back to basics," a strategy—if that is not too grand a word—now being followed by companies all over the western world. All too seldom outside the high technology industries does a management react to all the pressures not only with cost-cutting, but also with the development of ambitious new products and marketing strategies, in order to battle its way on to higher ground in areas where the company can gain a greater potential competitive edge.

Such is the dilemma faced by Wedgwood, the world-famous British pottery manufacturer which, despite its unrivalled image and brand name, is now struggling to avoid adding further to the wasteland of unemployment and depression which is gripping its native Staffordshire.

Its strategy over the last three tough years is typical for the consumer products industry; together with factory closures and redundancies has gone a stripping-away of unsuccessful—or inadequately successful—past attempts to diversify, notably the sale two years ago of an Irish traditional crystal glass factory. Last November it also merged its modern glass interests with those of Dartington, which is providing the top marketing and general management for the venture.

In the midst of all this rationalisation, Wedgwood has now been presented with a heaven-sent chance to annexe an entirely new business, modern jewellery, which, imaginatively marketed, could prove a remarkably profitable diversification. But can a company with such a traditional product line and managerial attitudes to match, realise (in both senses of the word) the market potential?

The opportunity arises from a tentative link which Wedgwood has forged with one of the world's brightest and most renowned artist-designers of modern jewellery, Wendy Ramshaw.

Wendy Ramshaw and Michael Dillon, head of Wedgwood's modelling team, discuss items from her collection

With a massive list of solo and group exhibitions to her name over the past 12 years, and the ability to command high prices in countries as far afield as Japan, the U.S. and Australia, as well as continental Europe, Sunderland-born Ramshaw is now keen to get her new activity of ceramic jewellery into as wide a market as possible, just as she did in the late 1960s with her paper jewellery.

Both sides orginally saw their collaboration purely in terms of Wedgwood's traditional patronage of famous artists, which has tended to be limited to one-off items and small editions of plates, mugs and such things as ceramic sculptures. In advance of their joint exhibition—which has now gone on national tour—at London's Victoria and Albert Museum at the beginning of the winter Wedgwood agreed to hand-make a small number of the items, including necklaces and, in much larger "editions," stick pins.

Stimulus to sales

Somewhat belatedly, in view of the instant stimulus to impulse sales which the company could have gained from the veritable flood of publicity which accompanied the V & A exhibition, these items are now beginning to trickle into a selected number of Wedgwood outlets, as well as the Electrum gallery in London's fashionable South Molton Street.

If demand is as rapid as Ramshaw and many outsiders expect, the company will have to decide whether to mount a larger-scale operation. To be economic, this could involve Ramshaw designing a slightly different range of items with production specifically in mind. "I am perfectly prepared to," she says, dispelling any suggestion that she might be loath to make the leap.

The combination of such a top talent with the world's best-known ceramics manufacturer would seem to be unbeatable. Though the company has not been planning to diversify its small jewellery business, the man in charge of it, David Butler, is certainly keen to.

Yet a long line of formidable hurdles, typical of those facing any well-entrenched company faced with diversification, will have to be scaled before the partnership can really take off.

First and foremost, today's Wedgwood seems to have little enthusiasm for the technique of market segmentation, though this is precisely where the first Josiah Wedgwood excelled in the 18th-century.

The company's current jewellery line consists very largely of mounted jasper cameos which began life in the 1700s as fashionable items for high society ladies. But today sales—worth £4m retail and growing by over 25 per cent a year—are very much centred on the mass market, as is most of Wedgwood's bone china business.

Fred de Costobadie, Wedgwood's group sales director (the company has no marketing director other than the chairman, Sir Arthur Bryan, himself), reacts extremely cautiously to the notion that Wedgwood might take a leaf out of Sir Terence Conran's book, and design products for a carefully targeted market segment. The most dramatic success with this approach is not Habitat, but "Next," a new subsidiary of the Hepworth group—which Conran now chairs. Over the past year it has made an extraordinary success out of supplying women between their late 20s to early 40s with high-quality, slightly classical and extremely stylish clothes. This is precisely the market segment most likely to buy the Wendy Ramshaw multiple items being made by Wedgwood.

Shying away from the word "segment," Costobadie prefers to talk of "specialised" markets—an altogether more negative concept. Perhaps betraying Wedgwood's production-mindedness, he defends the company's ability to produce de luxe versions of pottery items already in its mass market line—product adaptation, in other words, rather than design for specific marketplaces.

Equally illuminating is his gut response when asked how he interprets the word "diversification." Rather than talking first of markets, he focuses on materials and production techniques, and only then on "variety of product" (which is not necessarily the same as variety of market, anyway).

Closely allied with this attitude is the second common barrier to successful diversification: the ability and willingness of a company with a heavy commitment to traditional products to move extensively into innovative designs.

Reinforcing the continual defence of Wedgewood's design policy which Sir Arthur Bryan has been forced to put up over the years, de Costobadie says he would "defend the company's record on modern design to the death. But modern design is not the company's byword," he admits.

Tradition outsells

Wedgwood tries hard to achieve a balance between its traditional designs and more modern ones, he insists, but in its export markets—which account for almost two-thirds of its sales—tradition outsells modernity by 15 to 1, he says: "in the main, the public seems to require classical design from Wedgwood."

A persuasive description of the status quo, perhaps, but does this necessarily mean that a more imaginative marketing strategy for a range of modern designs, using many more different brand names so as not to conflict with the Wedgwood brand image, might not reap dividends, both in pottery and jewellery? It already has done so with several of its pottery lines, such as "Midwinter."

All this lends support to the widespread allegation among designers and the marketing fraternity that the Wedgwood company fails to exploit enough potential market opportunities because it is largely reactive to consumers' demands, rather than moulding them in truly "proactive" marketing fashion.

Which brings us to the third and fourth common barriers to diversification, that may stand in the way of it developing a modern jewellery business: the need for new distribution channels and the consequent requirement for a broader product range than can be provided by one designer.

The problem is that, if it is to sell in any volume, Ramshaw's jewellery cannot just be added to Wedgwood's existing catalogue. Not only is it radically different in character—as modern as Wedgwood's is traditional—but it would be difficult to sell very much of it through Wedgwood's existing distribution network, which consists largely of the china departments of department stores, plus specialised china and glass outlets and giftshops. Not only is there the problem that "the jewellery trade doesn't really recognise Wedgwood," in the words of one of the company's own managers, but its jewellery division does not have its own salesforce.

So, as de Costobadie agrees, access to new outlets—including boutiques—would be necessary if the current sales trial of Ramshaw's jewellery were to be turned into a full-scale commercial exercise. But Wedgwood has not yet examined whether the overheads of such an investment in new distribution channels could be covered without quickly expanding into a much broader range of modern jewellery than could ever be provided by one designer, even if she were prepared to work full-time for the company.

This in itself would require a further commitment of managerial and financial resources, in addition to the fifth barrier to diversification: the investment in production tools and skills which would be necessary to get Ramshaw's jewellery down to the price at which David Butler thinks it might be attractive to a large market: not much more than £100 for necklaces and £30 for stick-pins, against £400-plus and £65-plus for the hand-made items in the trial.

All in all, then, it seems a very tall order for Wedgwood to seize the opportunity that has fallen into its lap. It might be easier if the jewellery interests were linked with those of another company—à la Dartington glass—or if Butler were given his own sales force and told to operate like an independent, entrepreneurial small company.

Until Wedgwood makes this and other efforts to get closer to its potential marketplace, in both jewellery and modern pottery, there will be a ring of hollowness to de Costobadie's claim that "we're market-orientated first and production-minded second." After all, as he himself says, "there is increasing pressure in the market to have new products—if you're going to sell in the U.S., you have to have something new and exciting." The question is whether well-entrenched companies like Wedgwood have enough design flair and marketing expertise to provide that novelty and excitement.

Christopher Lorenz

D'alliance

TESTING times lie ahead for sparky young agency, Gold Greenlees Trott, as it celebrates its latest win, the SDP/Liberal Alliance account.

It would seem to have its work cut out in the run-up to the next election in more ways than one. The party is lying at a low ebb in the polls (19 per cent according to a MORI opinion poll for the Daily Express this week) and, despite its short life, it has a reputation for being not the easiest of clients.

Parallels with Saatchi and Saatchi, which was relatively unknown before the Conservative party appointed it in 1978, and which is now top of the agency league, are irresistible to GGT, a fledgling itself at only two and a half years old.

The SDP has described the agency as "bright, young and aggressive" and is said to have been particularly impressed by its off-beat poster campaign for LWT, which scooped a number of awards last year. "You could say it's a case of brave new party meets brave new agency," said Mike Greenlees this week. "Our first job is grabbing back centre stage, and breaking through the two-party media monopoly." The budget is between £0.5m and £1m for the coming year. GGT, one of the bright young shops around, emerged in 1981 and since then has accumulated billings worth more than £12m.

FMcE

JOBS COLUMN

At last, headhunters point way on ethics

BY MICHAEL DIXON

WHEN urged to stand and be counted on issues of professional ethics, recruitment consultants have always struck me as resembling the Etruscan hordes when faced by Horatius at the bridge.

At that point, as readers will no doubt remember, "those behind cried 'Forward!' and those before cried 'Back!'" And while Macaulay didn't say so precisely, it seems safe to assume the net effect was that nobody got anywhere at all.

It must be admitted that I expected no more after reporting a fortnight ago a reader's complaint that he had lost two prospective jobs because an unnamed consultancy had secretly reopened negotiations with another candidate while an offer was on the table to him.

But hooray for the Management Consultants' Association. For the chairman of its Selection Consultants' Group, Colin Bexon, has not cried but actually come forward with an official response to the reader's complaint.

"The conduct as reported . . . was utterly inexcusable. and this would be the unequivocal view of the Management Consultants' Association," he declares.

Since the devious consultancy was not named, he can only fervently hope that it was not an MCA member. But if it was, he is keen to know which. So he wants me to pass on to the reader a list of the selection group's membership together with an invitation to contact the association if the list includes the offending headhunter's name.

But I've decided to go farthur, and print the list here. It is Annan Impey Morrish; Binder Hamlyn Fry; Coopers and Lybrand Associates; Deloitte Haskins and Sells; Ernst and Whinney; Inbucon; A. T. Kearney; Larkfield Resources; MSL; P-E Consulting Group; Peat Marwick Mitchell; Price Waterhouse Associates; Thornton Baker Associates; Touche Ross; and Urwick Orr.

Anyone with sensible complaints against recruiters employed by any of those concerns is welcome to notify Mr Bexon at MSL International, 52 Grosvenor Gardens, London SW1W 0AW. But that is only partly why I printed the list.

The main reason is to let not only potential candidates but also employers know the names of consultancies willing to state publicly that they ban unethical recruiting practices by their staff. The pity is that there should be only 15 of them, and that many if not the great majority of the better known headhunting organisations are not included.

The fact that any particular recruitment consultancy is missing from the list does not, of course, mean that it tolerates unethical conduct, let alone encourages it. The only fair conclusion is that the absent names are less willing than the 15 listed to lay their professional reputations on the line.

Any now wishing to do so through this column have only to write and tell me. If, as I hope, the numbers are large I'll print their names in batches over the coming weeks.

High calibre

"YOU'D BETTER not say the company needs a bomb under it," said Clive Taylor of Executive Appointments.

"Why?", I asked.

"You don't want to flatten a large chunk of the Midlands, do you? It's an explosives company," quoth he.

By the conventions of music-hall comedy, of course, I should then have said: "I don't wish to know that. Kindly leave the Jobs Column!" But instead I listened while he explained his search for a managing director for the company which is part of a £24m-turnover group. Since he may not identify it he—like the recruiter next to be mentioned—promises to abide by any applicant's request not to be named as yet to the employer.

While retaining its original civilian business, the company has developed more and more into military markets both here and abroad. Since these tend to be volatile, the turnover fluctuates around an average of just over £2m. Profits are normally good, and there are 115 employees.

The company is strong in research. But it is insufficiently geared to the development of novel products and lacks commercial oomph. Hence the need for a managing director who, although technically competent to oversee the manufacturing, must have shown not just managerial abilities but also commercial skills especially in actively marketing to the military in several countries.

The salary indicator is £20.000. Perks include car.

Inquiries to Mr Taylor at 18 Grosvenor Street, London W1X 9FD: telephone 01-499 0513.

Crown prince

BILL GILL of Merton Associates (Consultants) seeks a young merchant banker or corporate planner to work in London providing business-research support to the main board of a big UK group. The newcomer will be expected to earn fairly swift promotion to senior management in the group's subsidiary operations. "The aim is to prepare the candidate for a main board appointment in the longer term," the recruiter says.

As well as being versed in the skills of business analysis and evaluation, applicants need the personality and persuasiveness to influence subsidiaries' chairmen.

The salary will be £20,000-plus, with a car among the other benefits.

Inquiries to Air Vice-Marshal Gill at Merton House, 70 Grafton Way, London W1P 5LN; Tel: 01-388 2051, Telex 8953742.

Influencer

IT WAS through this column that Martin Drake became head of technical activities at the Institute of Chartered Accountants in England and Wales. He hopes the same source will produce the under-secretary needed in London by the accounting standards committee of the consultative committee constituted jointly by the six major accountancy bodies covering Britain and Ireland.

One of four under-secretaries reporting to the committee's secretary Keith Robinson, the recruit will be a qualified accountant with not only technical but also communicative abilities of high order. Since support to the committee's international sub-group is a particular responsibility, foreign-language skills would help.

Salary about £15.000.

Inquiries to Mr Drake at PO Box 433, Moorgate Place, London EC2P 2BJ; tel 01-628 7060, telex 884443.

Challenge

KNOW YE NOW that only eight short days remain for readers with spirit to gain the chance to win the 1983 UK national management championship sponsored by the FT, the just-mentioned accountancy institute and ICL in association with the Confederation of British Industry and the Institute of Directors. Entries close on February 11. First set of management decisions fed into computer February 20-25. Finals in autumn. First and subsidiary prizes total £5.750. Entry fee for team of at least three people £92 including VAT. About 500 already on starting line.

Anyone feeling up to the challenge should contact Tony Etchells, National Management Game, ICL, Beaumont, Old Windsor Berks S14 2JP; telephone Windsor 68181.

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TSB Unit Trust Managers (Channel Islands) Ltd, now wishes to appoint a CONTROLLER to head up its substantial and successful offshore investment and insurance operation. The funds under management in the Channel Islands already exceed £55 million and resources are available for future development. The parent company's funds exceed £350 million.

Key Tasks:

- To be responsible for the investment management of both equity and gilt funds using UK investment advisors.
- To develop the present range of investment and insurance services.
- To develop the management skills of the present staff.

Applicants must be able to demonstrate a successful career at a senior level in investment management, be over the age of 50, and currently be earning at least £20,000 per annum. **Applicants must have Jersey residential qualifications.** *The excellent remuneration package includes a car, mortgage subsidy, free life cover, and non-contributory pension.* **Applicants should write, in strictest confidence, with full personal and career details (including current salary) to: David Hinchcliff, Head of Personnel Services, TSB Trust Company Limited, Keens House, Andover, Hants. SP10 1PG**

TSB

Young Analyst Dealer

Seeking Your Second Career Appointment

to £10,000 — **Victoria Street, SW1**

If you have three years' experience in investment research and analysis and now *want to develop your career, B.A.T Industries can offer you the right opportunity.*

You will know that B.A.T Industries is the third largest industrial enterprise in the U.K. whose principal worldwide activities comprise tobacco, retailing, paper, packaging and printing; cosmetics and home improvements.

As part of a professional investment team, you will contribute to the management of in-house pension fund portfolios which are primarily U.K. orientated, but also involve overseas markets, particularly in Japan and the U.S.A.

If you are a graduate in your mid to late twenties, with a background in an investment institution, bank or broker and want to assume a more demanding role, contact Richard Dubeck for an application form on 01-222 7979.

B.A.T Industries p.l.c., Windsor House, 50 Victoria Street, London SW1H 0NL.

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FINANCIAL ANALYST

SUSSEX ● GRADUATE A.C.A. ● TO £13,000

Our client is Duracell UK, part of the multi-national Duracell organisation. The company has an impressive growth record, positive future development plans, and a young senior management team which encourages initiative and expects you to participate in decision making.

As Financial Analyst you will be responsible for a small department that provides management information both within Duracell UK and to the European headquarters. The regular analysis and interpretation of results is one important aspect although considerable emphasis is placed upon predictive forecasting and ad hoc exercises. Utilising an IBM System 38 the environment is already highly computerised and you will be expected to actively participate in future developments.

We would like to talk to recently qualified accountants who are keen to move out of the profession into a progressive and stimulating commercial environment. You should be able to adapt to an environment where you will apply your analysis skills in a computerised environment. Equally importantly you will need well developed communication skills, an innovative approach, and natural leadership ability to produce the results expected of you.

Duracell offers in return outstanding career opportunities in a rapidly growing, professionally managed, company.

Candidates of either sex should apply, in confidence, quoting ref: 449/FT to: Johnson Wilson – Management Search, 67/69 High Street, Winchester, Hants, or telephone Winchester (0962) 53319 (24 hour service).

JOHNSON WILSON MANAGEMENT SEARCH

DEPO DEALER — BAHRAIN
US$65,000 (Neg.) + expat. benefits
A Bahrain based bank with an impressive growth rate offers an excellent career opportunity to an experienced dealer with a mature trading outlook. Reporting to the head of fx/mm the appointee will be responsible for running the depo books and be heavily involved in the day to day running and control of the room. REF: DE/1016J.

FX DEALER — BAHRAIN
cUS$45,000 + excellent fringe benefits
A major international bank seeks a young spot/forward dealer for its prestigious Manama office. A minimum of 5 years' experience with active trading names is sought; practical experience of trading in Saudi Riyals would be advantageous, as would be a knowledge of Arabic. REF: DE/1083J.

CAN. $ SPECIALIST
A senior dealer with expertise in Canadian $ spot/forward trading is sought by a London bank. Candidates are likely to be in the mid 20's/early 30's age range with a minimum of 3 years' trading experience. The position reports directly to the fx Manager, and the salary is negotiable c£18,000. REF: DE/1061J.

DEALER PLUS — **to £16,000**
An international bank seeks an experienced fx dealer whose career aspirations head towards treasury and liability management. Ideally aged under 25 years, and with a degree, candidates should have at least two years' interbank experience with an active trading name. Following a period of consolidation the successful applicant will have the opportunity to use his/her trading experience in a management role. REF: DE/1094F.

LENDING OFFICER
An international bank recognised for its excellent market reputation can offer first rate career prospects to a young Lending Officer. Within the mid 20's/mid 30's age range you will have enjoyed the benefits of a good University education and be able to show first rate career progress with prime banking names. A flexible and entrepreneurial approach is sought and knowledge of capital or high technology markets is advantageous. Salary is negotiable and should not be considered a limiting factor. REF: DE/1021J.

All applications will be treated in the strictest confidence.

R-H

ROBERT HALF

LEE HOUSE, LONDON WALL, EC2. 01-606 6771.
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WEST LONDON — **c.£23,000 + car + profit share**

This leading research company, a major subsidiary of AGB Research PLC, measures consumer markets and media audiences for a list of blue chip clients.

The post will offer top executive responsibility for accounting, administration, personnel and other services; development and implementation of business plans, cost budgets, manpower plans and personnel policies.

A qualified accountant is required, probably 35-45, with proven general management abilities. Market research experience not essential. Successful candidate will become key member of management team with strategic planning as well as wide management responsibilities. Must be highly motivated, decisive and resourceful.

Benefits include excellent salary plus profit related bonus, Rover 3500 car or equivalent, BUPA, insurance and pension.

For further details and personal history form please write to Tim Bowles, Joint Managing Director, at the address below or telephone 01-997 8484 Extension 550.

AGB

Audits of Great Britain Ltd.,
Research Centre,
West Gate,
London W5 1UA.

LÉVESQUE, BEAUBIEN INC.

CANADIAN STOCKBROKERS

We are one of Canada's largest fully-integrated investment dealers. As a result of our growing international presence, we are seeking additional Institutional Equity Representatives in London. Remuneration will be highly competitive and will reflect the experience and qualifications of the successful applicants. French would be an advantage but is not essential. All replies will be treated in strict confidence.

Anthony R. Graham, Vice President,
Warnford Court, Throgmorton Street, London, EC2N 2AT 01-588-6771

Morgan Grenfell

& CO. LIMITED.

Institutional Sales Executive Fixed Interest – Eurobonds

We are seeking an experienced Institutional sales Executive to join our existing Eurobond Sales Team.

Candidates should ideally have several years experience in the gilt-edged market; and established institutional contacts in the U.K. Some knowledge of the Eurobond market would be helpful but not essential.

Applicants should be in the age group 27-35 years, should be personable and capable of working in a demanding but stimulating environment.

Applications, including brief details of career to date, should be sent to:–
P.M. Lefevre, Head of Personnel
Morgan Grenfell & Co. Limited,
23 Great Winchester Street,
London EC2P 2AX

DG David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-236 0640

MANAGER—INVESTMENTS AREA — **up to £15,000**
City-based Bank seeks a person to manage small investment area. Candidates must have all round experience of Stock Exchange securities work gained within Banking. *Preferred age 30+.*

RECENTLY QUALIFIED A.C.A. — **£ Negot**
Our client is a well established Bank offering an outstanding opportunity for a young qualified accountant with some Bank auditing experience to assist the Chief Accountant.

CREDIT ADMINISTRATION — **c. £14,000**
International Bank in the City requires a person with syndication/loan *documentation experience. Preferred* age c. 30.

CREDIT ANALYST — **c. £12,500**
Person required with good charged securities experience to analyse property propositions and handle all legal documentation for a City-based bank. Preferred age 25-35.

IN RESPECT OF THE ABOVE APPOINTMENTS PLEASE CONTACT JOAN MENZIES ON 01-248 1858

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Midlands/N. England — **c. £17,000 + Benefits**

Our client is the London subsidiary of a Middle Eastern international banking group with positive plans for expansion in the U.K.

Their current requirement is for an experienced and energetic lending banker to develop the bank's services to the corporate market in the Midlands/North of England . . . fundamentally short and medium term facilities by way of Trade Finance, Bills of Exchange, Collections, Acceptance Credits, Loans and Foreign Exchange. City based, this position will entail a high degree of travel.

Successful experience of marketing corporate financial services in the Midlands/North, based upon sound personal "local knowledge" of the area, is seen as the essential ingredient in the ideal candidate; this should naturally follow on a background in general banking with some accent on credit and lending. Preferred age 28-35.

This is an opportunity offering excellent prospects for personal growth and a remuneration package that includes all the usual bank benefits.

To discuss this opportunity in more detail, please telephone John Chiverton, A.I.B.

JOHN CHIVERTON ASSOCIATES LTD.
5, Castle Court, London, E.C.3, 01-623 3861

Schroders

SCHRODER UNIT TRUSTS

Liaison Executive

Schroder Unit Trust Managers is looking for someone to promote its unit trusts among professional advisers. The company is in a phase of vigorous expansion and this position represents an important part of it.

The successful applicant is likely to be over thirty and have investment management experience, probably dealing with private clients. He/she must be prepared to do some travelling within the U.K.

The position provides a competitive salary, a non-contributory pension scheme and other benefits including a motor car.

Applicants should please send C.V.s to:
Headley T. Beeson,
Schroder Unit Trust Managers Limited,
Regal House, 14 James Street,
London WC2E 8BT.

SENIOR FOREX DEALERS — **Salary Negotiable**
Two major European banks with active trading rooms are looking for forwards specialists to increase their strength in this area. Age 25-40.
Please contact: David Little or Paul Trumble

BOND DEALER — **Salary Negotiable**
A major bond trading house is seeking a dealer with between 3 and 5 years experience, especially of Eurodollar denominated straights. The salary package will include substantial fringe benefits.
Please contact: David Little

HEAD OF ACCOUNTS — **Salary to £13,000**
A substantial European Bank plans to open a London Branch later this year and now seeks a person to head its accounts department. *They propose using an IBM 34 with Midas or Kapiti — therefore* a person with relevant experience from banking, hopefully setting up a system, would be ideal. Age range is between 28-40.
Please contact: Richard Meredith

CREDIT ANALYST — **Salary c £12,500**
An American Bank has an opening for a Senior Credit Analyst. Applicants should have had at least four years previous credit analysis experience with an international bank, and must be prepared to be anchor man in a small but active department. Age 28-35.
Please contact: Brenda Shepherd

ACCOUNTANT — **Salary £10,000 + bonus**
A City Investment Bank is currently seeking to recruit a newly qualified ACA with exposure to Financial & Management Accounts. Duties will include cash management, special projects, taxation (including VAT) etc. Age 24-27.
Please contact: Brenda Shepherd

Jonathan Wren — *BANK RECRUITMENT CONSULTANTS*
170 Bishopsgate · London EC2M 4LX · 01 623 1266

ASSISTANT INVESTMENT MANAGER

EDINBURGH

Edinburgh Fund Managers requires a person in their mid to late 20's, with some experience of UK portfolio management to assist in the management of a number of unit trust and other institutional portfolios.

Enthusiasm, initiative and a desire to take responsibility are essential.

The position offers a competitive salary and other benefits.

This post is open to male and female applicants.

Please apply in writing to C.H. Ross, Edinburgh Fund Managers Limited, 4 Melville Crescent, Edinburgh EH3 7JB, enclosing a curriculum vitae.

QAS

Quantitative Analysis Service, a New York based investment research group using momentum techniques, is looking to expand in Europe.

We seek a highly motivated person with fund management experience to extend our service to existing clients and develop new business.

Please forward a full CV in strictest confidence to Box A8057
Financial Times
10 Cannon Street, EC4P 4BY

Development Capital

High Technology
To £30K + bank benefits

Our client, the subsidiary of a major financial institution, makes development and venture capital investments in small/medium sized U.K. companies.

A Senior Manager is sought to join a small team seeking and identifying investment opportunities, evaluating proposals, negotiating deals, and actively monitoring investments through board membership of client companies. He/she will concentrate on high technology companies, including those related to information technology, scientific and medical instrumentation, and automated manufacturing.

Candidates must be graduates and/or MBA's, and be able to demonstrate excellence in their careers to date ideally within technical sales or marketing roles. Broad commercial sense, entrepreneurial zeal, financial skills and the maturity to work with companies at top level are essential qualities.

Remuneration package, up to £30,000 plus attractive banking type benefits, will be negotiated depending on background and experience.

Please write, quoting ref: 1377, to Ian Odgers who is advising on the assignment.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

Trader

c. £15,000

As counter trade is an essential factor in securing its contracts, this major British capital equipment exporter requires a commercially skilled trader.

You must be an all round trader with strengths in the commodity, raw material and light industry sectors. Aged 30 – 50, with worldwide experience, you are prepared to travel extensively. Joining a successful high technology company, you will be working with an experienced team. A good point of entry into this Surrey based "blue chip" company offering excellent conditions.

Candidates, male and female, are invited to write in confidence detailing qualifications and relevant experience under ref 417/PA/FT to:

Robert Lee International
Manpower Consultants Limited
24 BERKELEY SQUARE, LONDON W1X 6AR

INVESTMENT MANAGEMENT–EQUITIES

Owing to promotion of the previous manager to the position of the Society's Chief Investment Manager, Scottish Equitable aim to recruit a new Equity Investment Manager. This is an opportunity to become a key member of a small team in a growth environment. Funds under management exceed £980m (compared with £130m 10 years ago) including equity shares valued at £300m.

RESPONSIBILITY will be for managing the equity portfolio to achieve consistent good investment performance in the competitive life and pensions market.

THE REQUIREMENT is for a record of success in equity investment management preferably including international markets. Preferred age 30's.

Salary negotiable in the bracket £20,000-£30,000. Other benefits include a car, low interest mortgage, and an excellent non-contributory pension scheme. This post is open to men and women.

Write in complete confidence or telephone David Berridge, General Manager, Scottish Equitable Life Assurance Society, 31 St Andrew Square, Edinburgh, EH2 2QZ. 031-556 9101.

Scottish Equitable
Life Assurance Society

Chief Executive

ANTI WHEEL LOCK PRODUCTS

Anti Skid Controls Limited is a leader in the design and manufacture of micro-processor based anti wheel lock systems for the heavy goods vehicle industry. This dynamic high technology company seeks a Chief Executive for their newly formed UK subsidiary. This subsidiary will be responsible for purchasing, sales and service for the entire UK market. He will be based in the Midlands and responsible for leading a small team to capture a significant part of the UK market for these products and give the company's UK customers the best service available to them.

The successful candidate is likely to be aged 34-45, a qualified Accountant and to have had extensive experience at a senior level in Commerce and Financial Control with a proven record of success. Knowledge of the heavy goods vehicle industry would be an advantage.

Outstanding leadership qualities and personal abilities are vital.

The remuneration package would reflect the importance of the post.

Candidates are invited to send full career details to

ANTI SKID CONTROLS LIMITED
Unit 27
Stillorgan Industrial Park
Blackrock
Co Dublin
Ireland

ANTI SKID CONTROLS LIMITED

Henderson Crosthwaite & Co.

ELECTRONICS ANALYST/SALESMAN

Henderson Crosthwaite & Co. require an enthusiastic self motivated and experienced Analyst/Salesman to join their Electronics team. He or she must have the personal presence to maintain and enlarge the firm's contacts within the industry.

Only people with drive and proven ability need apply.

The successful applicant will find the present benefits and future prospects irresistible.

Please contact P. M. C. Rabl, Henderson Crosthwaite & Co., Stockbrokers, 194-200 Bishopsgate, London EC2M 4LL. Tel. 01-283 8577.

All enquiries will be treated in the strictest confidence.

المؤسسة العربية المصرفية

ARAB BANKING CORPORATION A.B.C.

London Branch - Licensed Deposit Taker

HEAD OF DATA PROCESSING

We are currently seeking a person to take responsibility for the day-to-day operation of the Bank's computer installation and to manage the ongoing local development of the Bank's current in-house developed software.

Preference will be given to applicants with 8-10 years' management experience in a D.P. environment who have had a prior involvement in software conversion and implementation including communications systems. Familiarity with IBM System 34 and 38 and other mini computers would be an advantage.

Salary commensurate with prior experience and the responsibilities of the position offered will be available, together with a competitive benefits package.

Applications in writing, together with current C.V. to:

The Personnel Officer
ARAB BANKING CORPORATION
6/8 Bishopsgate
London EC2N 4AQ

Carreras Rothmans

Assistant Investment Manager

Pension Fund

Basildon, Essex c. £11,000

The Carreras Pension Fund, with current assets of approximately £100 million, requires an assistant for the Investment Manager. He/she will understudy all aspects of Fund management and contribute significantly towards the day-to-day running of the portfolio.

Applications are invited from persons with a basic training in security analysis and some experience of the practical problems of investment.

The Company offers a generous holiday allowance, excellent pension scheme, subsidised catering facilities, life insurance and medical cover.

Please write for an application form to: **Barry Roberts, Personnel Officer, Carreras Rothmans Limited,** ***Christopher Martin Road, Basildon, Essex.***

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Coventry

As a result of internal promotion and re-organisation we are seeking an ambitious graduate (preferably Economics) with at least 3 years experience in economic forecasting ideally gained in the motor industry.

As ECONOMIC STUDIES MANAGER you will make a major contribution to Austin Rover Group planning by providing comprehensive economic and car market forecasts for the U.K. and major world markets.

The brief is wide ranging and includes analysing and forecasting demographic movements, vehicle parcs and ownership levels, and advising on the implications of proposed government and EEC vehicle legislation.

Attractive salary and benefits include participation in management car plan.

Written applications, giving full details of age, qualifications, current salary and career history to date, are invited from men and women irrespective of marital status, race, colour, nationality, ethnic or national origin, and should be addressed to:

J. W. H. Prout,
Manager, Personnel (Commercial),
Austin Rover Group,
Canley Road,
Canley, Coventry CV5 6QX.

Austin Rover Group

£16-£18,000

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The Director will be responsible for initiating and developing Worker Co-operatives by: (a) outreach, to develop contacts and relationships with supportive organisations; (b) liaison with co-operatives, enterprises and organisations; (c) maintaining contacts with central and local government and (d) co-ordinating the inter-disciplinary teams of Research & Legal, Business Planning and Education & Training co-workers.

The appointment will be for an initial 3-year period, on a rising scale of £16,000 to £18,000. The successful candidate should be enterprising, resilient, practical, with good human relations skill and have a thorough knowledge of enterprise creation and a willingness to work within the Co-operative movement.

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WALES CO-OPERATIVE-DEVELOPMENT & TRAINING CENTRE,
WALES CO-OPERATIVE DEVELOPMENT &
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FINANCIAL TIMES
10 Cannon Street, London EC4P 4BY

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INTERNATIONAL BANKING

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01-623 3861

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2. CREDIT OFFICER
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Ms J. Horan, 19/21 Moorgate, London EC2R 6BU

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The group specialises in sales/hire of a complete range of overhead access products including aluminium scaffolds, manually and self-*propelled work platforms and other related products. The products* are engineered and produced in USA and Ireland.

Applicants must have proven track record in executive management of all marketing operations to the industrial and construction fields. MBA (or equal) an advantage. Foreign languages a plus.

In first instance, send in strict confidence comprehensive CV including details of current remuneration basis.

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Bristol	0272 277315	30 Baldwin St.
Leeds	0532 450243	12 St. Paul's St.
Manchester	061-236 8409	Faulkner Hse., Faulkner St.

The one who stands out

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Salaries and commissions will reflect the importance of these key positions. Applicants should have proven sales skill, and be familiar with business and market information. Applicants for our Quotron position should also be familiar with video-delivered information systems.

Please send full career details to:

Elias Antar, Marketing and Business Director
AP-DOW JONES
12 Norwich Street, London EC4A 1BP

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The Rotunda, New Street.
Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.
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Attractive remuneration package by negotiation

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Research Park, Riccarton
Currie, Edinburgh
Tel: 031-449 6871

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required for
Middleton Foster Anderson & Co. Ltd.

Please apply to Mrs Sally Sutton
21 College Hill, London EC4
Tel: 01-248 5851

WANTED

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International Appointments

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Generous tax free salary

The Bank, one of the world's leading financial organisations, is expanding its Group Internal Audit Department. We now require an experienced executive to fill this new appointment.

You will accompany audit teams for specialist audits of the Bank's trustee companies in Europe and Asia. Your principal responsibility will be the intensive audit of the accounts and administration of individual trusts.

You will probably be aged 30+ and will have experience in trust accounts and trust administration with a leading company or practice and hold the AIB (Trustee Diploma) or have the equivalent experience and qualifications. Preference will be given to applicants with experience in trust audit.

Conditions of service are excellent. In addition to a generous tax free salary, the post carries attractive benefits including free fully furnished accommodation, six weeks' annual leave with free air travel for you and your family, assistance with school fees and air passages for children and a discretionary housing loan.

Please write or telephone for an application form by Friday, February 11th, to:

A. M. Child,
International Recruitment Controller,
The Hongkong Bank Group,
99 Bishopsgate,
London EC2P 2LA.
Tel: 01-638 2366, ext. 2923.

HongkongBank

International Banking Consultants

Jonathan Wren International Ltd 01-623 1266

170 Bishopsgate, London, EC2M 4LX

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Locally incorporated bank requires a dealer with at least 4 years experience of international currencies preferably gained in London. Age preferred late 20's. Function is to establish a dealing presence.

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A major international bank seeks a young graduate with a minimum of 4 years credit assessment experience preferably gained within an important London financial institution.

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Local bank seeks specialist with minimum 4 years experience of all aspects of computers to select system and establish department. Fluency in Arabic required.

F.X. DEALER .... GULF
Locally incorporated bank seeks a fully traned F.X./deposit dealer to set up new dealing function. Preferred age 26-32. Fluent Arabic required.

INVESTMENT ANALYST .... U.A.E.
A major financial institution requires a young business graduate to join the investment team. A minimum of 3 years experience of either US or UK equity market is essential.

CORPORATE ADVISOR .... KUWAIT
An international bank seeks an M.B.A. with fluent Arabic and a background of F.X., money market or investments. Candidates should be aged 25-32.

INVESTMENT MANAGER ... BAHRAIN
A major international bank requires a graduate preferably aged 25-30 with a minimum of 5 years experience of international and domestic capital market instruments.

OPERATIONS MANAGER .... U.A.E.
An expanding local bank seeks an experienced manager with a minimum of 5 years broad banking experience including systems and accounting practices. Arab nationals only.

Please send a detailed curriculum vitae to Roy Webb, Managing Director.

Internal Audit Controllers

Banking–Kuwait

The National Bank of Kuwait, one of the leading Middle Eastern Banks, is strengthening its internal audit function in line with its continuing expansion.

Two controllers are required to direct teams assigned to auditing all areas of the Bank. They will be primarily concerned with:
- development of staff and audit programmes
- control of audit production and quality
- assessing the adequacy of internal controls

Candidates should be experienced in the internal audit of retail and commercial operations in banking, preferably automation-based. They should also have the leadership qualities required to develop and motivate specialist staff.

Attractive tax-free salaries and fringe benefits are offered.

Candidates should write in confidence to:
The Chief Internal Auditor
The National Bank of Kuwait S.A.K.
P.O. Box 95 Safat
Kuwait

SENIOR MANAGER ACCOUNTING Banking

Kuwait **c. £40,000**

A major bank is developing its financial control division. This has created an opportunity for demanding work at senior level in a long established and highly respected institution.

The senior manager accounting will report to the assistant general manager finance and be responsible for the operation of the financial control division. Duties will include responsibility for the financial recording systems of head office divisions and branch operations and the development of computerised financial systems. The senior manager will also advise on the financial implications of the bank's strategic planning and investment policy.

Candidates must have an internationally recognised accounting qualification and their first language should be Arabic or English. Experience of working in the Middle East will be an asset and university graduates will be preferred. They should be in the age range 35-45 with at least 5 years' experience in banking including a period at divisional management level.

The salary is tax free at present, and with benefits makes an attractive overall package as expected from a major institution. Applicants should send brief personal details and a career summary in confidence to D W E Apps quoting reference FT/133/A.

E&W Ernst & Whinney Management Consultants
Becket House, 1 Lambeth Palace Road, London SE1 7EU

THE EUROPEAN PARLIAMENT

EP PE

intends to recruit a

DIRECTOR OF FINANCE (M/F)

responsible, under the direct authority of the Director-General of Administration, Personnel and Finance, for running an important administrative unit.

CANDIDATES MUST HAVE: □ a university degree, preferably in economics and finance, or equivalent professional experience; □ knowledge of the financial regulation applicable to the general budget of the European Community and a good knowledge of data-processing; □ several years' experience of financial management; □ thorough knowledge of one official language of the European Community (Danish, German, Modern Greek, English, French, Italian or Dutch) and good knowledge of a second. Knowledge of other official languages of the European Community will be taken into consideration; **AND MUST BE:** □ a national of one of the Member States of the European Community; □ aged between 35 and 50.

Place of employment: LUXEMBOURG

The salary will be that of grade A2 of the scale set out in the Staff Regulations applicable to officials of the European Communities. Copies of the Official Journal giving details of conditions of eligibility may be obtained ■ either from the Information Office of the European Parliament, 2, Queen Anne's Gate - LONDON SW1H 9AA ■ or direct from the Recruitment Division of the European Parliament, B.P. 1601, LUXEMBOURG.
Please quote the reference 'Avis de recrutement no. PE/11/S'.

CLOSING DATE FOR APPLICATIONS: 28 February 1983.

Finance Manager

Oil Tanker Company Middle East

A well-established, expanding Arab oil tanker company in the Middle East requires for immediate appointment a Chartered Accountant to fill the post of Finance Manager.

Candidates should have at least twelve years experience in financial functions and computer involvements, of which not less than 5 years must have been at a financial managerial level in a tanker company.

The salary offered will depend on qualifications; and the excellent conditions of service include free furnished air-conditioned accommodation, free transport, annual leave of 42 days with free passage and educational assistance for children.

Please write to Box No. 8066, Financial Times, 10 Canon Street, London EC4P 4BY, not later than 11th February 1983.

FINANCIAL CONTROLLER

Major Construction Equipment Distributor

Saudi Arabia **From £25,000 tax free+benefits**

Our client is a leading distributor of heavy construction plant with sales and service facilities throughout the Kingdom. An impressive growth pattern has been maintained since establishment in 1967.

The appointment, *based in Al Khobar and reporting to the General Manager,* encompasses overall responsibility for financial and management reporting procedures including development of existing computerised systems. In addition, as this is a key role in the management structure, considerable experience and versatility are required together with the initiative, drive and professionalism necessary for representing the company in an executive capacity with manufacturers, financiers and business associates. Consequently frequent travel will be involved, mainly to Europe.

Candidates must be FCA or FCCA with a proven track record in senior financial management and with good EDP familiarity. An initial salary over £25,000 will be negotiated plus a comprehensive expatriate benefits package including housing, car, family home leave etc.

Applicants should send detailed CV to
Michael Nagle FCA at
Saba & Nagle International Ltd.,
Recruitment Consultants,
23 Pembridge Square, London W2 4DR
or telephone 01-221 2996
for a personal history form.

SABA AND NAGLE INTERNATIONAL LIMITED

Bond Dealing

One of the largest international merchant banks located in Paris requires *an experienced and dynamic*

Eurobond Dealer

to become part of its international bond team.
The successful candidate should have at least 4 years experience in international bond dealing.
Fluency in English and a working knowledge of French are essential.
Applications with detailed curriculum vitae will be treated in the strictest confidence and should be sent to HAVAS CONTACT reference 75.536 FT, 1, place du Palais-Royal - 75001 PARIS (FRANCE), who will transmit.

HAVAS CONTACT

FOREIGN EXCHANGE MANAGER

GULF AREA

We are an established financial organisation, 49% bank owned, and as a result of expansion require a mature senior dealer to set up a dealing operation.

Candidates must possess several years' all-round experience, preferably including the bullion market, acquired in active trading rooms. Experience of working in the Middle East would be an advantage but is not essential.

This is a challenging opportunity which will be rewarded with a competitive salary (tax-free) and the usual benefits package including free accommodation, company car, children's school fees and home leave. There will be an initial two-year renewable contract.

Interviews will be held in London and applicants should send brief personal details and a career summary in confidence to:

Box A.8065, Financial Times
10 Cannon Street, London EC4P 4BY

2 SENIOR INTERNAL AUDITORS

Age 28-35 Circa US$35,000p.a.

ABU DHABI

A major financial institution in Abu Dhabi seeks two internal auditors who will report direct to the manager, internal audit section.

They will be involved in the audit of managed portfolios, real estate and cash management and will evaluate the adequacy and effectiveness of systems and controls, and prepare detailed reports.

Candidates must be qualified accountants either ACAs or ACCAs, and have relevant post qualification experience in a banking or financial institution.

The contract will be for a minimum of two years, renewable thereafter, salary will be circa US$35,000, free of tax in Abu Dhabi. Free accommodation, medical expenses and education allowance will be provided. Details and other benefits will be discussed at interview.

Please send a curriculum vitae including salary history to
Box A8064, Financial Times
10 Cannon Street, London EC4P 4BY

COMPUTER ANALYSTS/PROGRAMMERS

One of the largest Saudi Arabian companies seeks three analysts/programmers with a minimum of 2 to 3 years cobol experience of any vendor.

An appropriate salary will be paid, commensurate with experience, plus free accommodation, medical benefits, air-tickets, a bonus and also end of service indemnity facilities.

Please reply with CV to:

BOX A.8053
Financial Times,
10, Cannon Street, London EC4P 4BY.

GENERAL APPOINTMENTS

FIDELITY INTERNATIONAL MANAGEMENT LIMITED, the rapidly expanding U.K. unit trust and investment management company, and part of the worldwide Fidelity Organisation, requires two more people to join its hard-working, enthusiastic team.

Investment Marketing Assistant

Based in Tonbridge, this new position represents a unique opportunity to join Fidelity's *fast growing* public marketing team. The job will involve assisting Fidelity's senior private client executive in all aspects of developing Fidelity's Investor Services, including advising existing and potential clients, both on the telephone and by letter, of Fidelity's investment strategy, organising seminars, and planning and implementing direct mail campaigns.

The ideal candidate will be in his or her 20's, be articulate, have a degree and at least two years' experience in investment or banking. An out-going, friendly personality is needed, together with a real flair for marketing.

Investment Assistant

Based in London, this position offers the opportunity to work with Fidelity's successful investment research team which manages over £100m. We require a numerate, young person, preferably a graduate, to assist two of the senior investment directors managing Fidelity's U.K. pension funds and unit trusts. Attention to detail and initiative are required.

Both positions offer the chance to join a successful, growing company with excellent career prospects. Apart from very competitive salaries, Fidelity offers a comprehensive range of fringe benefits.

Please send a comprehensive C.V. to:–
Barry Bateman, Director,
Fidelity International
Management Limited,
20 Abchurch Lane,
London EC4N 7AL

Fidelity INTERNATIONAL

JAMAICA

Financial Controller

Generous negotiable salary

A *very senior position* in a leading insurance concern with diverse outside interests. Adaptability and the ability to negotiate at the highest levels are considered requisites for this opportunity. Only FCA's should apply.

SAUDI ARABIA

Management Consultants

£25,000 to £35,000

An immediate requirement for good consultants with financial management experience, preferably with a professional qualification. 2-year contracts, working in a large-scale project environment.

Phone C. D. STOCK, Group General Manager, on 01-481 8111 for further details in confidence

IPS GROUP **BANKING & ACCOUNTANCY PERSONNEL SELECTION**

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01-637 7604

EXECUTIVE SEARCH

NEW YORK

Consultant with specialist experience in International Financial Markets required to operate out of Wall Street offices on high commission basis.

Replies to
Box A8058, Financial Times
10 Cannon Street, London EC4P 4BY

WANTED

AMERICAN MAN, 27, seeks position as personal assistant/aide to international businessman. Phone 01-370 3246, ext. 51 or write Box A.8071, Financial Times, 10, Cannon Street, London EC4P 4BY.

CAREER OPPORTUNITY

A U.S. based firm is opening an office in London engaging in the sale and acquisition of military equipment in Europe. Though not essential, a knowledge of military products, fluency in a lanuage other than English, and a commercial background would be an asset in this position. Salary is commensurate with experience in this field. Please send all resumes, as well as a photograph to:

P.O. Box 1005
Northridge, Calif., U.S.A. 91328

Accountancy Appointments

"TAX PROFESSIONALS"
£10,000+ to £30,000

We have been retained by a "Big 8" practice to recruit men or women with partnership potential specialising in the tax area. The practice is wide ranging covering Commerce, Banking/Finance, Oil/Gas, International and Personal tax areas, thus offering a broad range of experience and choice of career paths.

Emphasis is laid on quality client service with tax consultancy at the forefront geared to financial and strategic planning. Candidates must therefore possess good communication skills, imagination, plus the enthusiasm and ability to think on their feet. Excellent training plus expert support is provided to help candidates with the right potential to make rapid progress.

Applicants should be Chartered Accountants under 35, who have:-

- recently qualified and interested in specialising in tax £10,250.
- 1-2 years post-qualification tax experience in the profession or industry to £15,000.
- the experience and ability to move directly into a management role to £30,000.

High calibre candidates, will have excellent prospects, including the possibility of becoming a partner. C. LONDON Ref: RWP/1060J

Please reply directly to:

ROBERT HALF

LEE HOUSE, LONDON WALL, EC2. 01-606 6771

FINANCIAL DIRECTOR

ROHAN GROUP

Dublin **IR£30,000+pa**

Rohan Group Plc is a property development and construction group operating in the commercial and industrial sector. The Group is rated one of the most successful Irish public companies. It has expanded rapidly in Ireland and now operates in the UK and is developing a US operation.

As a Group Main Board Director you would be a member of a small informal and technically competent management team. You would be required to provide the financial forward thinking for the Group internationally, as well as ensuring a high level of efficiency in the financial systems within Ireland and abroad.

To be considered you must be a chartered accountant and have held a senior financial position in a major company or institution with a turnover of at least £30m.

Your name will not be released until we have briefed you and you have given your consent. Please write to me, Terence Hart Dyke, Consultant to the Group.

Business Development Consultants
27 Upper Fitzwilliam Street
Dublin 2

BDC

SPECIAL STUDIES ANALYST

A recently qualified ACA or ACCA is required for a challenging and interesting position in a small team engaged in strategic studies at corporate headquarters.

The vacancy which arises as a result of internal promotion provides a useful introduction to industry for an ambitious and commercially minded young accountant with a degree, and whose career development objectives would anticipate a move into one of our subsidiary companies after approximately two years.

An excellent salary will be offered, together with benefits which include five weeks holiday and private medical insurance.

Applications to:

Miss C. C. Peover, Personnel Manager
THE PLESSEY COMPANY PLC
Vicarage Lane
Ilford
Essex
Telephone: 01-478 3040, Ext 2755

PLESSEY

FINANCIAL EXECUTIVE

Central London From £20,000

Our client, an international trading company in agriculture and industrial chemicals and the subsidiary of a major multinational group, has decided to increase substantially the scope and volume of its business.

A financial executive is required to be responsible to the managing director for providing comprehensive accounting and financial services and advice. The funding of trading activities, and the management of foreign exchange are key responsibilities. Other important activities will include the financial appraisal of trading decisions and the management of risk exposure. This appointment provides the opportunity to make a substantial contribution at senior level to a rapidly expanding business.

Candidates must be qualified accountants, probably in the age range 35-45, with a track record demonstrating competence in making significant decisions. Experience must include trading or banking with a strong commercial bias. Thorough knowledge of foreign exchange is essential and experience of risk assessment would be an asset.

An attractive remuneration package will be offered including company car and free private medical insurance. Applicants should send a career review and brief personal details quoting ref FT/123/A in confidence to D W E Apps at:-

E&W Ernst & Whinney Management Consultants
Becket House, 1 Lambeth Palace Road, London, SE1 7EU.

COLOROLL INTERNATIONAL FINANCIAL CONTROLLER

£13,000 p.a. + Benefits

This is a unique opportunity to join a fast developing and successful company within the wallcoverings and household textile industry.

A.C.A. late twenties, early thirties, with past qualifying experience preferably within an international environment.

Single man preferred, able to undertake overseas assignments for up to six months duration.

Applications in writing to:

P. A. Catlow FCA
Financial Director
COLOROLL LTD
Riverside Mills, Nelson

Accounting Manager – Europe

Central London **c £15,000 + car**

Our client, part of a $200 million turnover publicly-quoted U.S. group, is involved in a rapidly expanding sector of the high-technology software business. The International Division is primarily a marketing operation with headquarters in Central London. The Division has experienced tremendous growth over the last three years and now seeks a bright young Chartered Accountant to join its small financial team.

This challenging role demands personal qualities and business attributes of paramount importanae in an aggressive marketing environment, these will include:-

- Dynamic and versatile personality with potential to develop with the company.
- Previous commercial experience gained in the profession or with a high-tech business and a good track record to date.
- Excellent verbal and written communication skills, as constant liaison between London, U.S. and European operations is vital.

The position requires an accountant aged 26–30, with good technical skills and the ability to meet tight deadlines. Reporting to the European Financial Controller, and working together on business development, the Accounting Manager will be responsible for the day-to-day accounting functions. The provision of current financial data and management reports is an essential element, as the London Head Office handles all the European accounting requirements.

Occasional overseas travel is envisaged and for someone of the right calibre, career prospects with this internationally-developing company are very promising.

Applicants should write, enclosing a comprehensive curriculum vitae, to Philip Cartwright, A.C.M.A., quoting ref. 905 at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester Glasgow

Management Accounting

Central London **c £11,500**

Our client, **Harp Limited**, which brews and markets Harp, Kronenbourg and Satzenbrau Diät Pils lagers seeks a young qualified accountant to join its small head office team.

The main tasks will be preparing and monitoring budgets and cash flow. You will liaise closely with sales and marketing management on pricing, market penetration and development of individual customer business and undertake a range of financial and commercial exercises for the Financial Director.

This is an excellent opportunity to gain varied business experience, especially as a first move from the profession, with good prospects in this company and its parent, the Guinness group.

Contact David Tod BSc., FCA on 01-405 3499 quoting reference DT/567/HCF

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA 01-405 3499

ACCOUNTANCY APPOINTMENTS

Appear Every THURSDAY

Rate £31.50 Per Single Column Centimetre

Challenging opportunity in commodity trading . . .

FINANCIAL CONTROLLER

City of London circa £17,000 + car & benefits

Our client is the U.K.-based commodity trading division of a large and highly successful U.S. group. Due to commence trading in the Spring the company are now seeking to recruit an experienced senior management team.

The Financial Controller will report to the Managing Director and will have the overall responsibility for the whole financial function, to be supported by a staff of three. Emphasis is placed on development and implementation of systems, credit control, and the accurate updating and monitoring of trading records.

Applications are invited from qualified accountants who are aged in their late 20's to mid 30's, who preferably will have had some previous experience in commodity trading. Personal qualities are as important as technical competence and the successful candidate must be willing and able to grow with the company. Sound exposure to systems development as well as good interpersonal and communications skills are necessary attributes.

Written applications containing career details should be forwarded, in confidence, to Robert N. Collier Esq. at our London address quoting reference number 3897.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

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FARMING, FISHING, FOOD AND FINANCE

Senior investigative and management roles

to £17,160

The Ministry of Agriculture, Fisheries and Food is responsible for advising and supporting some of the UK's largest and most important industries, and is involved in relevant EEC policy administration. Its tasks include the provision of a wide range of advisory services, ensuring animal and plant health, and administering grants and subsidies to the agricultural and fishing industries. A nationwide network of offices is supported by veterinary laboratories, and numerous experimental farms and horticultural establishments.

For professional accountants, the scale and range of MAFF's activities provide an extraordinary challenge to both creative and analytical skills, and high levels of responsibility. As part of an overall drive to improve financial and resource management, the following London-based posts are now to be filled:-

Audit Division

One Principal accountant and two Senior Executive Officers are required in a division providing a systems-based internal audit service to MAFF and its associated bodies. The emphasis will be on economy, efficiency and effectiveness. It is possible that one of the SEO posts will carry responsibility for training within the Division.

For all posts, recent experience of modern auditing techniques and accountancy developments, gained either in a professional office or in industry, will be a major advantage.

Finance Division

Two Senior Executive Officers are required to join either the implementation team currently developing a management accountancy system for MAFF or a branch which provides a general costings service. Recent practical experience of developing and installing a computerised management accounting system will be an advantage.

Successful candidates will all become members of the new Government Accountancy Service, a functional specialism within the Administration Group of the Civil Service. The GAS was established in July 1982 to give Accountants much greater influence on the management and administration of national affairs, and to provide training and career development opportunities which can lead to the very top levels of Government service.

Salaries: Principal £13,130 – £17,160: Senior Executive Officer £10,890 – £13,190. (Inner London weighting included.) Level of appointment and starting salary according to qualifications and experience.

All candidates must be Chartered, Certified, Cost and Management or Public Finance accountants or be eligible for admission. Candidates for the Principal post will normally be aged 30 or over.

For further information and an application form (to be returned by 25th February 1983) write to Civil Service Commission, Alencon Link, Basingstoke, Hants, RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours).

Please quote ref: G/5915/2 for the Principal post or ref: G(1)590/2 for the SEO posts.

ACCOUNTANT

COMMODITY TRADING

★ International commodity trader and broker requires an Accountant to be responsible for the day-to-day running of the Accounts Department. The successful applicant will report to the Chief Accountant but must be capable of operating without supervision and able to meet tight deadlines for the provision of management information.

★ The successful applicant will be qualified, preferably with experience in commodities, either softs or metals, or in foreign exchange, but the successful applicant will show an ability to develop this role to make a significant contribution in a commercial environment. A competitive salary will be paid. Other benefits include an annual bonus.

★ Applicants should mark the envelope "Private and Confidential" and write to:

The Managing Director
LONCONEX LIMITED
29 Mincing Lane, London EC3R 7EU

FINANCIAL CONTROLLER

COMMODITY TRADING

★ International commodity trader and broker dealing in softs and metals requires a qualified Accountant to act as Financial Controller and Administrator. The company is a full member of all major commodity markets in London.

★ Applicants should preferably be between 35 and 55, must have considerable experience in international commodity trading, and be familiar with futures markets operations and related accounting procedures and computer control.

★ Additionally, a detailed knowledge of British tax law and sound administrative experience is essential to enable the successful applicant to take an early place in the senior management of the company.

★ An attractive salary will be paid, supplemented by an annual bonus. A car will be provided. The company operates a contributory pension scheme. Other usual fringe benefits.

★ Applicants should mark the envelope "Private and Confidential" and write to:

The Managing Director
LONCONEX LIMITED
29 Mincing Lane, London EC3R 7EU

Accountancy Appointments

ACCOUNTANCY APPOINTMENTS ARE CONTINUED ON FOLLOWING PAGE

A COMPANY PROVIDING SERVICES TO THE OIL SECTOR

seeks a

MANAGEMENT ACCOUNTANT

The successful candidate will

- be qualified ACA or ACMA
- have 5 years' post-qualification experience
- be experienced with matters associated with procurement, export, accounting and funding
- have knowledge of computer operations

The Company is offering a salary in the range

£12,500-£13,500 p.a.

according to age and experience

There are additional benefits including car expense contribution of £2,000 p.a., BUPA membership and pension.

Write for an application form to:

Hugill and Co., Department UAJ, Valley House, Crossbrook Street, Waltham Cross, Herts.

Financial Controller

Publishing

West End

c.£15,000

For an expanding and enterprising publishing group, a financial controller is required to establish and manage efficient accounting and control systems and to help the chief executive in planning further expansion.

There is an opportunity for early promotion to the board for a young (28-35) qualified accountant experienced in mail order and, preferably, publishing businesses and who can demonstrate initiative, energy and dedication as well as a high degree of technical competence.

Reply in confidence with brief career details to, E M Nell, 165 Queen Victoria Street, Blackfriars. London EC4V 3PD, quoting reference 4855/L.

Peat, Marwick, Mitchell & Co.
Executive Selection Division

Financial Director

For a major division of a successful public company. Turnover approaches £20m, largely from products with dominant market shares in DIY and building materials. Location Essex.

- RESPONSIBILITY is for all aspects of financial and management accounting and financial planning.
- THE REQUIREMENT is for a qualified accountant with a record of successful management in industry, using modern control systems.
- PREFERRED AGE early 30s. Salary £18-20,000 plus substantial bonus, car, and other benefits.

Write in complete confidence to A. Longland as adviser to the company.

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Percy COUTTS & CO. LTD
25 Whitehall, London SW1A 2BT.

Finance Director

Oxfordshire **c. £18,000 + car**

Our client, a wholly-owned subsidiary of a major U.S. corporation, has an impressive record of rapid growth and success in high-technology. A qualified accountant of exceptional ability is sought to join the management team and take up a Board appointment.

Candidates, in their mid-30's, will have proven industrial experience gained in a high-tech, manufacturing environment. Familiarity with computerised systems is also essential. Personal and business attributes of paramount importance will include:-

- Entrepreneurial outlook; this Board-level appointment demands that operations be viewed from a totally commercial as well as financial angle.
- Dynamic personality, line-management and excellent communicative skills, as liaison with staff and negotiation with customers at all levels is vital.
- Sound technical skills and the versatility needed to adopt and achieve business objectives in a high growth operation.

Reporting directly to the subsidiary's Managing Director, this position maintains close contact with the parent company. Consequently, regular U.S. travel is a key feature and previous American reporting experience would be highly advantageous. This challenging role commands an extremely competitive remuneration package with relocation to an attractive rural area. Interested applicants should contact **Terry Benson** on **021-643-6255** or write to him, enclosing a comprehensive curriculum vitae, at **24 Bennets Hill, Birmingham B2 5QP.**

MP
Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester Glasgow

MANAGING DIRECTOR ACCOUNTING SERVICES

Age 35-45 **Over £25,000pa**

Our client is a major Lloyds insurance broking group with substantial underwriting and other financial service interests. The company wishes to appoint a senior qualified accountant to take responsibility for a wide range of accounting functions which service operating divisions. Over 100 people are employed in this activity.

The selected candidate will have significant management experience and a first rate understanding of computerised accounting. Preference will be given to candidates with experience in insurance broking or a similar type of business. In addition to salary a full range of benefits is provided.

Please write giving full career details including remuneration, to me, Simon Green, consultant to the company. Your name will not be released until we have briefed you and you have given your consent.

BDC (International) Limited, 63 Mansell Street, London E1 8AN.

BDC

AUDIT MANAGER

UP TO **£11k+car**

Recently qualified C.A. required for service industry nationwide audit.

Phone 0865 726127 *(24 hours)* for details

Reed Executive

The Country's most successful Recruitment Service

Financial Controller

Surrey **c £17,000 + Car**

A leading name in its field, with a long history of growth, this large manufacturing company is seeking further expansion both within the U.K. and overseas markets. Reporting to the Finance Director you will lead, manage and develop the finance function of the group to ensure the co-ordinated provision of financial information and advice for the control and management of the company. A qualified accountant, probably in your 40's, with sound industrial experience at senior level, including the review and implementation of computerised systems, you will be capable of making a decisive contribution to the business performance and development of the company.

Telephone: 01-247 9431 (24 hr service) quoting Ref: 0907/FT. Reed Executive Selection Limited, 122 Whitechapel High Street, London E1 7PT.

The above vacancy is open to both male and female candidates.

London Birmingham Manchester Leeds

Assistant to CHIEF ACCOUNTANT

QUALIFIED ACCOUNTANT

(Part-qualified considered)

For consumer electrical distributor based Warrington. Sales £20-£30m. Supplying national and independent retailers throughout UK. Excellent growth record and future.

Good salary, working environment, benefits and prospects.

Apply:
J. HOUGHTON
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Cheshire WA1 4RQ

Management consultancy

North of England, to £19,000+car

C&L

We are looking for a small number of outstanding graduate accountants to join our fast expanding team of consultants based in **Leeds, Manchester** and **Newcastle.**

Coopers & Lybrand Associates Limited is one of the largest and most diverse UK firms of management and economic consultants. As a financial planning and systems consultant you will be exposed to a wide range of technical and challenging business problems, working with client management at all levels and with consultants from a variety of disciplines on projects such as:–

- financial planning and profit improvement studies, working with corporate strategy, production and other specialists
- systems assignments, involving the development and implementation of planning and control systems, including management information, costing and accounting systems, usually computer-based
- financial analysis, including investigations, economic and feasibility studies, working in conjunction with our economists and marketing consultants.

If you are a qualified accountant and a graduate aged 28 to 34, have a record of academic and commercial success, ideally in more than one sector, and possess an adaptable, creative and enquiring mind, we can offer you an outstanding opportunity to develop the business skills and personal qualities you will need in your long term career–either in consulting or in industry.

Résumés including a daytime telephone number to Victor Luck, Executive Selection Division, quoting Ref. L301.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Scottish Mutual House
Park Row, Leeds LS1 5JG

TAX AND FINANCIAL PLANNING EXECUTIVE

CIRCA: 25,000 p.a.

Thomson's Overseas is a well established firm of tax and financial *planning consultants. Our clients are principally British nationals living/working* abroad. Due to the significant increase in our business we are looking for another executive to join our senior management. Applicants should be accountants/solicitors or have several years experience in the personal financial planning field. They should have overseas experience and *be willing to travel for at least 12 weeks* per annum in a designated area. Age 35-45.

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THURSDAY 3rd MARCH, 1983

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 3rd March 1983, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." Advertising rates will be £31.50 per single column centimetre. Special positions are available by arrangement at premium rates of £37.50 per s.c.c. Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

We will also be including in this feature a

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and entries in the guide will be charged at £45 which will include company name, address and telephone number. For further details please telephone

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TECHNOLOGY

EDITED BY ALAN CANE

COMPUTERS

Texas ready to compete

By Elaine Williams

TEXAS INSTRUMENTS has been biding its time in the personal business computer market. Now, following the entry of big names such as IBM and DEC into this rapidly growing sector of the microcomputer market, Texas Instruments has quietly announced its first product aimed at the professional user.

The TI Professional Computer is a word processor, filing system, data communicator, plotter, financial planner, voice and data message centre, the company says.

Its launch marks a significant move for TI which already has a strong position in the lower priced home and portable computer sector. In January the company introduced a further two products for this sector.

TI now feels that volume sales in the professional business market are high enough to justify its interest. The new computer will be priced at around U.S.$2,595 for the small configuration. A printer would cost an extra U.S.$700.

Mr Dave Monk, TI's international programme manager for the new system said: "The Professional Computer is the first of many products we shall introduce." He said that people involved in the information disciplines will eventually want their own personal systems—just as we rely on calculators today.

"The successful vendors will be those who really conquer the 'ease of use' problem and can also make network connection simple to implement," he said.

The Professional Computer is based on an 8088 microprocessor. It can use any of the four most common 16 bit operating systems, ie MS-DOS, CP/M-86, concurrent CP/M-86 and P System. TI says that a wide range of software is available for use on the system.

A further addition to the computer will be a voice recognition system based on TI's extensive experience in synthesised speech systems. Using this option, which is not yet available, the user will be able to train the computer to respond to certain voice commands. These include standard input commands or asking the computer to dial a telephone number.

CAD PRODUCT CLAIMED TO CUT DESIGN TIME

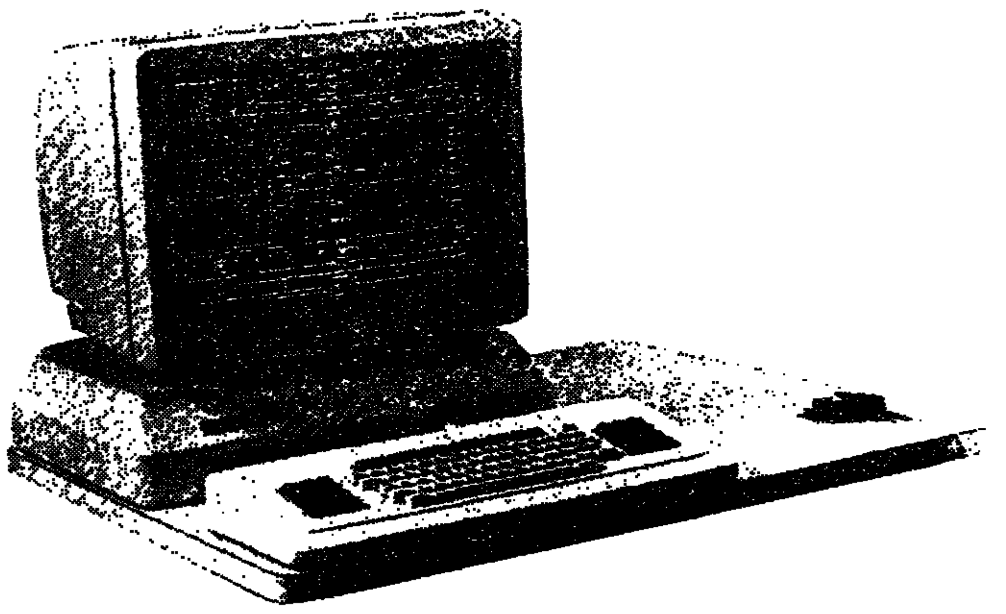
'SCALDsystem' for Europe

BY GEOFFREY CHARLISH

A CALIFORNIAN venture capital electronics company called Valid Logic Systems Inc has just started business in Europe with a computer aided engineering product that will, it claims, allow the design time of complicated electronic digital systems to be reduced to a tenth of current levels.

Valid also seems to have reduced somewhat the time taken by U.S. venture start-up companies to cross the Atlantic. It began operating only two years ago and by August of last year had raised $9.7m from six sources including Merrill Lynch.

Sales this year are confidently put at more than $10m and 11 systems have been sold since August, the customers including DEC, Norden, Rolm and, it is believed, IBM.



The Valid SCALDsystem, a computer aided engineering system which consists of a set of hardware, procedures and computer programs

Responsible

Now Valid has established an office in Slough (0753 820101) under Thomas J. Lawrence, vice-president and general manager Europe. He had been responsible for Apple's start-up in Europe and increased its sales from $16m to $100m between 1980 and 1982.

Founders of the company include Dr L. C. Widdoes who was with the U.S. Navy S1 supercomputer project at Lawrence Livermore National Laboratories and is now Valid's vice-president for engineering, and Dr T. M. McWilliams, technical director of S1 and a consultant to the company. President and chief executive officer of Valid is Dr Jared Anderson, who previously ran Two Pi Corporation.

Widdoes and McWilliams originated the software, called SCALD (structured computer aided logic design) at LLL and Valid was founded to develop and market SCALDsystem, a combination of design and validation software with graphics design stations.

Simulated

SCALD seems to have an impressive, if limited record. For example, it has been used at LLL to design a 5,000 integrated circuit computer in a year with only 24 man months of engineering effort. Traditionally, says Valid, such a project would have required up to 300 man years over a period of four to six years.

Scientists at Livermore are also said to have designed a computer comparable with Cray-1 in performance in a little over two years. The machine was completely simulated before construction.

Put simply, the essence of SCALDsystem is that the designer can begin with a few functional blocks on the screen that describe the basics of the design. In a computer, there might be blocks labelled "cpu," "memory," "serial i/o," and so on.

Continued

Next, he can select one of those elements and develop it; the "cpu" function for example would then occupy the screen in the form of other connected blocks such as register file, arithmetic logic unit or instruction register, drawn from libraries.

The process is continued, each of the new blocks being dealt with separately until the design is down to component level. The system knows which of the later blocks are in which of the earlier ones, and how they are related electrically.

This "top-down" logic design allows the engineer to defer dealing with details until the lowest level is reached, resulting in designs that are better connected and free from errors. Throughout the hierarchical expansion, SCALD software checks all the interfaces to see that they are consistent.

Similarly, a timing verifier in the software helps the designer to detect logic level timing errors such as clock glitches, set-up and hold violations and pulse width errors.

"Ninety per cent of design problems are in the timing," says Anderson, claiming that Scaldsystem will detect them while they are still easy to correct. He believes that timing verification is the single most important aspect in improving engineering productivity.

The SCALD suite also provides interactive logic simulation which makes it possible to debug not only the hardware but also microcode firmware or software. The simulator operates on the primary graphics design database, eliminating the need to define and maintain a separate high level model for the design.

SCALDsystem does not deal with physical layout, but there is a post processor and interface for connection to CAD and to other analysis and testing tools.

The hardware elements of the system include a desk-top graphics design station based on the Intel 8086 16-bit micro and a cluster controller using the Motorola 68000. The controller can support up to four workstations and can also link them to other clusters and a host mainframe, with data rates up to 800,000 bytes/sec. The four station system costs $138,000 and the entry level price is about $85,000.

Valid claims that it offers capabilities "not available in any other computer aided engineering system."

Market

While unwilling to comment on the Valid equipment, the reaction of Racal Redac, a leading UK company in this area, is that it has been in logic simulation and circuit analysis "since the late '60s" and that its current multi-state simulation package "is considered to be one of the best in the world."

It is a big market. According to Merril Lynch, world sales of CAD in general to the electronics industry will amount to $410m this year, a 37 per cent growth over 1982.

Printing

Lawtons' labelling machine

FAST and sophisticated labelling and packaging printing machines are offered by Lawtons packaging division.

The Lawco-Jet, a large character, alpha - numeric microprocessor-based ink jet system, features programmable and alterable memory facilities as standard, computer interfacing, and is capable of line speeds up to 120 metres a minute. It will print on to cartons, cases, trays and paper sacks.

The company's Lawco Overprint Machine system will process 1,000 to 1,500 cartons per hour and, when fitted with an automatic kick-feed for continuous runs, throughput is doubled.

Its Lawco-Stielow labellers are said to give quality results on all types of label stock and speciality materials, using hardwearing photopolymer plates. The machines print up to 6,000 labels per hour and there is a separate dispenser to feed self-adhesive labels one by one at the rate of up to 2,500 per hour.

The company also makes conveyor-line coding machines and stapling and sealing machines for making cartons. The range will be on show at Pakex, the packaging show at the NEC in April.

More from: Lawtons at 60 Vauxhall Road, Liverpool (051-227 1212).

Scanning

Versatile system

A VERSATILE low-cost scanning system to cover a wide range of applications, including food temperature, brewing, engine testing, and industrial processes, is offered by Digitron Instrumentation. The instruments, the 2000 series, scan and measure to 10 inputs, comparing each to a single pre-set alarm point. They can be automatically or manually operated. The price for basic units starts at £245.

Also new from Digitron is a panel temperature indicator which allows the use of three thermocouple types, which can be selected by an internal switch. They are said to perform the work that has previously required three separate units. Details from Digitron at Merchant Drive, Mead Lane Industrial Estate, Hertford (0992 50353).

Motors

Battery crusher

HYDRAULIC motors built by Hagglunds (UK) have been successfully incorporated into a battery crusher for an automated recycling and acid recovery plant in Iraq.

The two high-torque 43 Series shaft-mounted units, replaced the electric motors with gearboxes normally used. These would not have been compact and economical enough to use on the new crusher, the largest that Mono Pumps of Manchester has built.

The motors rotate at 42 rpm and 24 rpm respectively to provide the necessary shearing action in the stainless steel plant, commissioned for Chloride Technical. Details: Hagglunds (UK), Milner Way, Ossett, West Yorks. (0924 272581).

Steel

Japanese ultra-clean

A PRODUCTION system for making ultra-clean steel has been devised by Nippon Kokan to meet the increasing demand for high-quality steel products.

The system uses a combination of six advanced refining processes to produce steel with very low oxygen, sulphur, phosphorus, hydrogen and nitrogen contents at a capacity of 50,000 tons a month. More from the company at 4th Floor, West Block, 11 Moorfields High Walk, London EC2Y 9DE.

Robots

Package deal

A PROGRAMMABLE system using robot technology for feeding and positioning products and combining the marking of a product with its final assembly, has been developed as a complete package. A robot picks up each item and places it in exactly the same way for each operation, then deposits it in a collecting bin.

The makers, P.B. & E. Engineering, say this type of set-up lends itself to the marking and assembly of a variety of multi-part products and that the whole assembly can be broken down and rebuilt into other types of systems easily and quickly. The unit forms one compact construction occupying a minimum of floorspace.

The company is at 717, Banbury Avenue, Slough, Berks (75 36536).

Corrosion

Base plates

GLASS FIBRE pump baseplates made by Alpha Technical Services are designed to resist chemical attack in corrosive environments. They are made from special vinyl ester resins combined with long strand glass fibre which gives great structural strength.

Though they are more expensive than conventional steel or cast iron bases, the makers say they save their initial cost many times over in chemical pumping applications because they do not have to be frequently replaced. More from Alpha Technical Services, Altec House, Brigade Close, Harrow, Middx. (01 422 3400).

Safety

Disposable filters

A DUST filter mask, the "Enterprise," has been developed by Siebe Gorman. The mask uses disposable one shift filter pads available from a dispenser at a point suitable for the user about to start duty. Siebe Gorman is at Avondale Way, Cwmbran, Gwent (Tel 063 33 61211).

THE ARTS

RSC/Antony Thorncroft

Return of Henry VIII

The Royal Shakespeare Company is mounting thirty productions, its most for many seasons, in 1983-84, the year in which its artistic director, Trevor Nunn, takes a sabbatical. As usual the new productions are concentrated on Stratford-on-Avon, to move down later to the RSC's London home at the Barbican.

In addition the RSC is resuming its nationwide tour of smaller venues in October after a three year gap, thanks to extra cash from the Arts Council. A Newcastle season opens later this month; a British Council sponsored tour of Europe is scheduled for 1984, with possible extensions to the U.S. and Australia; the RSC's Barbican musical *Poppy* is likely to transfer to the West End and Broadway; and there are hopes to repeat *Peter Pan* as an annual feature in the company's repertoire.

There are eleven new productions at Stratford, including five by Shakespeare, one of which *Henry VIII*, starring Richard Griffiths in the title role, has not been seen at the Royal Shakespeare Theatre for fourteen years. The season opens with *Julius Caesar*, Peter McEnery playing Brutus and Emrys James Cassius. This is followed by *Twelfth Night*, *Henry VIII*, *The Comedy of Errors* and *Measure for Measure*. As in 1982 the younger producers in the RSC stable are handling the productions.

The Other Place at Stratford opens its season on March 26 with the rarely seen American comedy of the late 1930s *The Time of Your Life*, with Daniel Massey, John Thaw and Zoe Wanamaker. This is followed by a new play, *The Dillen*, which is set at turn of the century Stratford-on-Avon. Other new productions at The Other Place include Jonson's *Volpone*, with Richard Griffiths again, and a studio production of Tennyson's dramatic poem, *Maud*.

The Barbican takes eleven transfers from Stratford, but is presenting a new production of *Cyrano de Bergerac* in July. The adaptation is by Anthony Burgess with Derek Jacobi in the title role. The RSC's other artistic director, Terry Hands, will produce.

In the small Barbican theatre, The Pit, there will be five transfers from The Other Place, a Molière — *Tartuffe*, with Anthony Sher — and two premières by British playwrights, *The Body* by Nick Darke, and *The Custom of the Country* by Nicholas Wright. The RSC has commissioned new plays from Howard Barker, David Edgar, Peter Flannery and another from Nicholas Wright.

The company is among the most successful arts bodies in attracting commercial sponsorship. The Bank of America Foundation is sponsoring the London season for three months from October, its first British sponsorship; Amoco is sponsoring the RSC's Gallery in Stratford, which has been unable to add to the company's memorabilia since 1966, for three years; BP is helping the Barbican Festival based on The Pit this month; Texaco is supporting two theatre days for schools; and Ladbroke's continues to subsidise *King Lear*.

The RSC's first year at the Barbican is proving commercially successful, with 88 per cent capacity, way above the level at its old Aldwych home. But despite a 20 per cent increase in its Arts Council grant the company still feels it it under-funded, given its activities. It hopes that an investigation of its finances, initiated by the Minister for the Arts, will provide ammunition for a higher subsidy.

Trevor Nunn, in his year's leave, is producing his first opera, *Idomeneo* at Glyndebourne; working again with Andrew Lloyd-Webber on a new musical *Starlight Express* while going over their past success *Cats* for its Los Angeles production; and planning a move into film or TV production. On his return he has one more year of his seven year contract to run.

Simon Callow and Pauline Collins

Alastair Muir

Romantic Comedy/Watford

Michael Coveney

Bernard Slade's Broadway comedy, unlike Simon Callow, is very thin stuff. Mr Callow is Jason Carmichael, a playwright discovered in the nude on his wedding morning by an eager teacher from Vermont who wants to collaborate with him. Jason is expecting a masseur. Their subsequent romance, spread over 14 years, is similar in some ways to the events of another Slade piece, *Same Time Next Year*. There's a dash, too, of Coward's *Present Laughter*, with Jason the bullish egomaniac surrounded by a devoted entourage of collaborator, wife, hatchet-voiced agent, nubile actress and male journalist.

Entr'acte music by Gershwin suggests we are to think of Jason along George Kaufman lines, but apart from the fact that he writes everything with somebody else, the analogy scarcely holds water. Nor is Jason a notable wit. Despite telling the journalist that his biggest regret is that Americans cannot be knighted, and his wife that "it takes a lot of time to appear glib," you cannot imagine this cracking bore getting his feet under the Algonquin Round Table.

Nor does the energetic, full-frontal style of Mr Callow meld all that convincingly with the brilliantly controlled comedy playing of Pauline Collins as his workmate Phoebe. The programme quotes Hemingway's view of his unconsummated affair with Marlene Dietrich: "Victims of unsynchronised passion." Not just the passion is unsynchronised in the team of Callow and Collins. The play stutters along in Michael Attenborough's production with all the flair and zest of a clapped-out antique car on the road to Brighton. Offered as a tribute to the heyday of Broadway light comedy, Mr Slade's anachronistic hybrid comes across rather as more in the way of an insult.

Mr Callow strips off again in act two and dons, I swear, the same baggy white pants he sported in *Balthazar B*. By this time he has grown old and rumpled in boorish Hemingway fashion, and the performance at last finds its true weight. Miss Collins' excellent throughout, has a good scene after a first night fiasco where she recollects drunken party japes.

Jay Benedict as the journalist who nearly wins Phoebe from Jason, and Annie Lambert as the actress specialising in one-night stands, make lively contributions. And Joe Vanek's *solid apartment set* is another example of high class presentational work at this address. But the play, which has, in the end, nothing of note to say about the collaborative process, is aimless and trite.

London Sinfonietta/Elizabeth Hall

Andrew Clements

"Anglo-American Music" is the title of a pair of concerts the London Sinfonietta is giving in the Elizabeth Hall this month; the accent is firmly on the American half of the partnership, with Ives in both programmes. The first on Tuesday was conducted by Gunther Schuller. The English representative was Michael Blake Watkins, whose *Sinfonietta* was given its first performance, commissioned not by the London Sinfonietta but as part of the Fellowship in Television Composition funded jointly by London Weekend Television and the Greater London Arts Association.

Watkins writes in that totally blameless, quite anonymous serial idiom that seems to have replaced the pastoral mode as the refuge for English composers without anything terribly original to say. The *Sinfonietta* runs through its seven linked sections, smoothly enough, is tidily written for the instruments, and conveys nothing that is interesting or noteworthy.

In terms of sheer compositional craft it was a better finished article than Nicholas Thorne's *From the Dying Earth* which preceded it, but in his rough-and-ready way Thorne at least produced some telling ideas. He is a 29-year-old American, with a string of fellowships and prizes to his name. *From the Dying Earth* is intended eventually as a three-part litany of the environmental death of the earth; we heard only the first part, "Three Tales." At times the music is too garrulous in its clotted, Ivesian way; but the central section especially, "The Earth Speaks," is sombre brooding music of considerable raw power.

Gunther Schuller also included a work of his own, and it proved the most substantial of the evening. His Octet was written three years ago in the shadow of Schubert's octet; it uses the same forces, and opens with a single, unmistakeable nod to the model. Afterwards it runs, at considerable length, through some tidy and sometimes unexpected neoclassical tricks, with tongue often firmly in cheek. At a third of the length (something over half an hour) it would be a pleasant diversion, but more seriousness and more substance are implied than are ever delivered.

The equation of duration and substance was weighted in quite the opposite in the group of Ives miniatures, most of them scored from the manuscript by Schuller, which closed proceedings. The *Set No. 1* is as terse as anything in Webern, single vivid ideas brilliantly encapsulated: *Ann Street* as a song transcription runs through a multitude of tempo and metre changes in 22 bars; *The Pond*, stylistic sibling to the *Unanswered Question* is a haunting piece of mood music, instantly effective.

Architecture/Colin Amery

Losers all

There is a certain grim pleasure to be had in a visit to the Royal Institute of British Architects, 66, Portland Place, London, W.1. where until February 11 (Mon. to Fri. 10 am to 6 pm) the losers in the National Gallery competition are showing their designs.

More than 70 designs are on show, some of them so bad that they make you laugh out loud, some of them no worse than the short-listed designs. What is clear is that the winning team of Ahrends, Burton and Koralek did in a remarkable way conquer the awkward brief to produce a building which is a dignified and appropriate solution.

In general it has to be admitted that if this show represented the cream of British practices *they* would be well advised to line up against a concrete wall and wait for the shooting to begin. Of course it doesn't represent the cream because the competition demanded entries only from architects who could bring in their wake a tame developer.

There are, as a result, office blocks, odeons, the standard glass boxes, and very little that has any imaginative clue about the nature of public buildings or the sensitivity of the site. I was particularly shocked by the complete lack of understanding of the interiors of this important construction. Far too many schemes favour flexibility over form and acres of dreary open plan space for the often small scale and delicate paintings.

There is one good classical solution by Hugh Roberts, Graham and Stoller which, interestingly enough, appears to give the most office space in its use of the whole site. Chamberlin Powell and Bon had one bright idea in their angled entrance to the new wing and the colonnade link—the rest of their scheme looked ordinary.

All the old names are there: Gibberd, T. P. Bennett, YRM, Seifert, Smithson, Gwynne and their solutions are, without exception, dull and tired.

If you see this show as the final obituary for the kind of architecture that has done so much harm to our cities—only then can we celebrate.

The Bedsitting Room II/Latchmere

Antony Thorncroft

The Bedsitting Room successfully exploded almost 20 years ago, providing Spike Milligan with a nightly vehicle for surreal improvisation. Milligan co-wrote it with John Antrobus and now the latter has up-dated what passed as a script into *Bedsitting Room II*. It is on at the Gate Theatre Club above the Latchmere pub in Battersea until February 19.

The scenario remains. The H Bomb has dropped and the British population numbers 874, a fluctuating total since the survivors are subject to sudden transmogrification. The Prime Minister has turned into a parrot and Lord Fortnum of Alamein changes during the evening into a bedsitting room (a word redolent of the early '60s).

Antrobus, who also directs this production, has thrown in a few topical gags—a detergent "forces the Franks Report in and the truth out"—but in the main the influence of Milligan, for good and ill, haunts the evening, which is basically a visual and extended Goon Show script.

Goon Show humour has friends in high places and its break-through in confusing logic and nonsense was fresh and funny in its day. Now many of the one liners seem tired and the absence of a coherent story line is irritating. Any comedian attempting to make jokes about a nuclear holocaust is labouring under an insurmountable handicap, if only because humour must be related to reality and a nuclear explosion is unreal. So a sketch in which soldiers are offered alternative wounds as in a prize competition is tedious because it offers no link with any real experience: surreal humour must build on a seed of reality.

There is also the problem that a bedsitting room lacks dramatic potential. Even when it feels itself changing into Woburn Abbey and then the Taj Mahal (Edgware Road branch) it cannot offer much to the production. Fortunately the cast make up for in energy and enthusiasm what they lack in material, especially Richard Klee when he is allowed to stay as Lord Fortnum, and Ric Morgan as Captain Kak. All in all a curiosity best enjoyed by historians of British comedy. For the rest the Gate at the Latchmere still offers the best food of any theatre in London.

McCartney portrait

Former Beatle Paul McCartney is to be painted by Humphrey Ocean, winner of the 1982 Imperial Tobacco Portrait Award in association with the National Portrait Gallery. The commission, worth £1,000, is part of the award, which also earned Ocean, 31, a £6,000 cash prize.

Ocean, who trained at Tunbridge Wells, Brighton and Canterbury art schools, is no stranger to McCartney: he was the resident artist on the 1976 U.S. tour of Wings, McCartney's current band.

Bittermilk/Drill Hall

Rosalind Carne

Some marriages are made for love, others are mere convenience. Walter prefers the latter variety. A jazz saxophonist from Soweto, he is currently on tour in London, where he plans to find a suitable wife; a business-like arrangement, simply a means to citizenship and freedom. His black British girlfriend Magda knows nothing of the scheme, which is just as well as he has been living happily in her Brixton flat for several months, with no intention of legitimising the relationship.

The opening scenes of David Clough's spirited new play for Temba Theatre Company has the rapid transitions and comic encounters of a farce. Magda senses all is not as it should be when Walter makes elaborate excuses about a new ring he has bought—it is obviously not meant for her. When the fiancée comes seeking her inconvenient bridegroom the result could be mayhem, especially as the lady in question is a guilt-ridden white South African (with a convenient British passport).

Diana Kent and Decima Francis

After the initial shock, the two women form an uneasy alliance and the atmosphere darkens; personal and political become closely entwined and a riot rages in the streets outside. Mr Clough is a skilled dramatist, though still a young one, and every burning issue, whether of race or sex, arises naturally from the dialogue and action. There is no special pleading other than a plea for human decency, but the content is a little overloaded—unemployment, emigration, immigration, revolutionary violence, the role of the liberal, the National Health, Social Security, Abortion Laws. Sometimes it feels as if the writing is spread too wide and thin, and the last two scenes would benefit from cuts.

Alton Kumalo, who created the original plot, gives an exciting, exuberant realisation of the shifty, proud and emotionally confused hero. Decima Francis boils with righteous anger as his beautiful ill-used girlfriend. Diana Kent is less certain as the well-to-do, well meaning Sarah; it is a complex part and deserves more depth in interpretation. Their arguments and jubilations take place in a bleak council flat, carefuly designed by Robin Barson. The director is Barry Philips.

Windy City blows out

The award winning hit musical *Windy City*, starring Dennis Waterman and Anton Rodgers, will end its run at London's Victoria Palace on February 26 and will be followed immediately by Noele Gordon in Irving Berlin's *Call Me Madam* which enjoyed a sell-out Christmas season in Birmingham. The show will open at the Victoria Palace on March 4 for a season and be presented by Duncan Weldon and Paul Gregg for Triumph Apollo Productions by arrangement with Louis Benjamin.

Windy City producers Louis Benjamin and Toby Rowland said yesterday: "*Windy City* has enjoyed a successful 10-month run. We have won the Standard best musical award and been nominated for others. But because of commercial pressures beyond our control we are forced to close at the end of the month. After doing marvellous business for more than 200 performances there has been—in common with the general trend that has hit the West End—a seasonal drop in audiences and we feel it is better all round to end the run on a level of success."

They added that the timing of the closure announcement gave members of the cast and company longer than the customary two weeks' notice and also took into account the future commitments of some of the cast including Dennis Waterman who has been discussing an early date for his next TV Minder series.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

January 28 – February 3

Exhibitions

PARIS

From Carthage to Kairouan. 2,000 years of art and history in Tunis. Magnificent mosaics and a vast model of the Kairouan Mosque retrace the succeeding Phoenician, Roman and Islamic influences on art in Tunisia. Petit Palais. Closed Mon. Ends Feb 27.

Fantin-Latour (1836-1904). 150 paintings, pastels, drawings and lithographs bring home some unsuspected facets of his art. Best known for his rather sombre collective portraits of the intellectual elite of his time, his poetic flower compositions charm with luminosity and colours. Fascinated by music, his illustrations of Wagner and Berlioz are his escape into the world of dreams and phantasy. Grand Palais. Closed Tue, ends Feb 7. (260 3926)

The Hague School of painting: 160 oils and watercolours by 19th century Dutch artists depict mostly the sea and the seashore in a poetical mood or genre scenes and culminate gloriously with the beginnings of Van Gogh and Mondrian. The exhibition will go on to London and The Hague. Grand Palais, closed Tue. Ends March 28 (261 5410)

WEST GERMANY

Stuttgart, Staatsgalerie, Konrad Adenauer Strasse: Late 16th and early 17th century Italian masterpieces reflect the beginnings of Baroque. Ends spring 1983.

Münster, Westfälisches Landesmuseum, Domplatz 10: For the first time a museum is staging a joint show of the more than 140 paintings which Paul Klee, August Macke and Louis Moilliet brought back from a trip to North Africa in 1914. Ends February 13.

Berlin, Staatliche Kunsthalle, 44-46 Budapesterstrasse: 1933 – The Paths to Dictatorship has 150 paintings, graphics, posters and cartoons by artists banned during the Third Reich. The show includes some of the artists' later work. Ends Feb 2.

Frankfurt, Kunstverein, 44 Markt: Drawings and paintings depicting human beings from between 1960 and 1970 by Pier Pasolini, the Italian movie director. Ends Feb 27.

Cologne, Wallraf-Richarts Museum, An Der Rechtsschule: Emil Galle. The French craftsman, widely praised for his artistic style, is celebrated here through some of his most beautiful glasses and drawings. Ends Feb 6.

Düsseldorf, Kunsthalle: The show offers a comprehensive survey of Henri Matisse. The 80 paintings include works on loan from Paris, New York, London and Moscow. They are supplemented by a dozen sculptures. The focal point of the show is the gigantic La Danse. Ends April 4.

Tübingen, Kunsthalle: 157 drawings, gouaches, water colours and collages by Jean Dubuffet, the French Art Brut painter and sculptor. Ends March 6.

LONDON

The National Portrait Gallery: Van Dyck in England – if not unquestionably the greatest, pace Holbein, certainly the most prolific and lastingly influential of our Court Painters, establishing the image of romantic, doomed Cavalier grandeur in its final years. He could not have done this without an army of studio assistants and it is easy enough to recognise the fruits of the production line, but he was a wonderful artist for all that. He is a painter's painter, steeped in the works of the earlier Italian masters, and the worthy successor to his own master, Rubens. Ends March 20.

Walker Art Gallery, Liverpool: John Moores 13 – Britain's first and most important Open Exhibition, which regularly attracts a strong entry from amongst our best contemporary painters. The prizes are generous enough: £6,000, £3,000, £2,000 and ten at £250, but the prestige lies in the selection itself. This year's exhibition is full of strong uncontroversial painting, both figurative and abstract, with John Hoyland victor ludorum. Ends Feb 20.

ITALY

Florence, Palazzo Pitti: One hundred works from Dresden Picture Gallery. Ends March 4.

Rome, Accademia di Francia: 'Mediterranean Picasso,' a collection of about 100 works inspired by Mediterranean life. Ends Feb 13.

Milan, Palazzo Reale: Boccioni in Milan, A comprehensive collection of 400 of the painter's works, some being shown for the first time, to mark the centenary of his birth.

NEW YORK

Metropolitan Museums of Art: Architectural drawings, furniture, photographs and even ceramics comprise the hundred objects of Frank Lloyd Wright's dusted off to accompany the permanent installation of the *living room he designed for* the Francis Little House. Ends Feb. 27. (535 7100)

Whitney Museum: Painter Ellsworth Kelly will becomes better known as a sculptor with this first sculptural retrospective of 40 works dating back to the 1940s and including recent large aluminium and weathering steel works, many never before displayed publicly. Ends Feb. 27. (570 3676)

Whitney Museum: The 75th anniversary of the exhibition of The Eight, the group surrounding artist and teacher Robert Henri, is being *remembered with nearly half of the* 60 paintings first shown at the New York Macbeth Galleries in defiance of conventions established by the National Academy of Design. Besides Henri, works by Luke, Lawson, Shinn and Davies will recreate the origins of modern art in America. Endes March 20.

WASHINGTON

National Gallery: On the centenary of Edouard Manet's death, a hundred paintings, pastels and photographs show the growing interest in Paris among artists of that time, including Manet, Monet, Caillebotee, Daumier, and Vuillard, in this thematic exposition. Ends March 6. Seven major series by sculptor David Smith are represented in the 60 large works in welded metal included in the exhibit. Ends April 24. (357 2700)

CHICAGO

Museum of Contemporary Art: 300 *works from the superb modern Russian* collection of George Costakis preserves the exuberant hopes of cubo-futurism, suprematism and constructivism through the paintings and designs of Kliun, Chasnik, Rodchenko, and Malevich before their extirpation by Stalin. Ends March 13.

BRUSSELS

Société Générale de Banques: Pierres et Rue 1780-1980. The success of this exhibition has prompted a longer run. Ends Feb 18.

Musées Royaux d'Art et Histoires: Collection of Delft porcelain. Ends Feb 21.

VIENNA

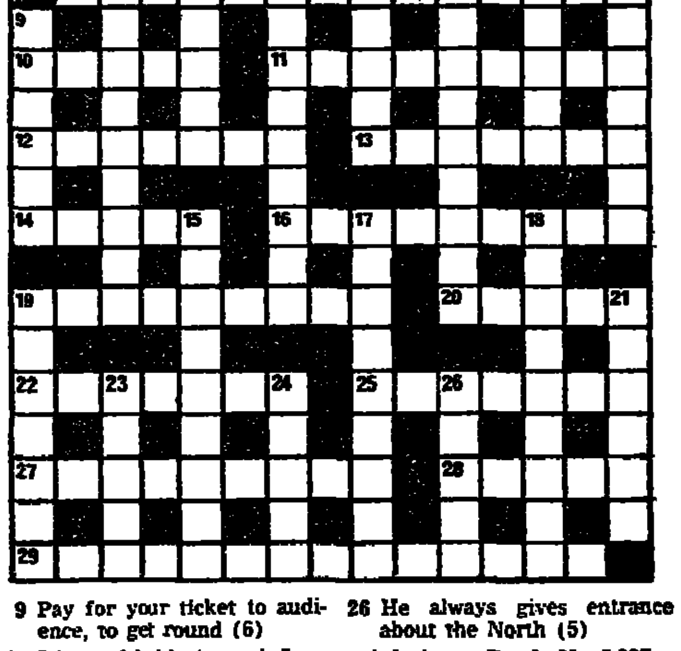
Künstlerhaus: Aspects of present day art in the Soviet Union from the Ludwig collection. Ends Feb 25.

HOLLAND

Rijksmuseum van Oudheden, Leiden: Egyptian hieroglyphics on papyrus up to 4,000 years old. Ends April 4.

American Graffiti, Berenstraat, Amsterdam: New York 1983 In Amsterdam. The best and the worst of the latest American painting including flag paintings by Ronnie Cutrone and works by the leading graffiti artist, Keith Howding – Last week.

F.T. CROSSWORD PUZZLE No. 5,088



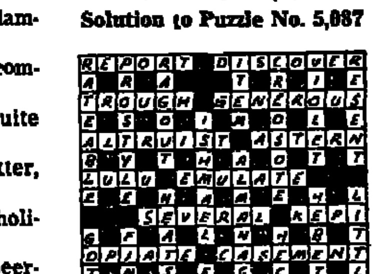
ACROSS

1 A higher educational executive (4-10)
10 Backward artist in an urge to feel affection (5)
11 Should kill the vermin—unless it keeps running! (9)
12 Cupids aim about or in, in the heart (7)
13 Decent one led astray, lured (7)
14 Put foot down to give impression (5)
16 The lesson here is to know your place! (9)
19 Fawns round everyone coming back, colts, etc (5, 4)
20 Faithful, with untruth for example being reversed (5)
22 Room daily occupied by Doctor (English) (7)
25 Rodin's producing fuss about nothing in the house (7)
27 Hope gave rise to an imaginary kingdom (9)
28 Relation in EEC is variable (5)
29 Practise getting into line before the big occasion? (5, 9)

DOWN

2 Moira at an assembly, a woman in love (9)
3 Tennis with no sides, upper-class in—boredom? (5)
4 Dim alteration in craving—an excellent thing (9)
5 Intelligence to the point of being worthless (2, 3)
6 Sort of roll associated with crosses (9)
7 Cyril's altering the song (5)
8 Knock casually with some haste (7)
9 Pay for your ticket to audience, to get round (6)
15 Effect of being in an inflammatory vein? (9)
17 Persistent Army eggs coming up in honours (9)
18 Such occurrences are quite remarkable (9)
19 Incomplete set made better, becoming fixed (7)
21 English flower for the holiday (6)
23 See eye to eye, rising in beer-garden (5)
24 Dashed, for example, up for spread (5)
26 He always gives entrance about the North (5)

Solution to Puzzle No. 5,087



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Thursday February 3 1983

The Nigerian exodus

THE EXPULSION of several hundred thousand illegal migrant workers from Nigeria has already had tragic consequences, with the death of at least 10 people of starvation on the journey back to Ghana, and several others feared drowned trying to get home by ship. Other deaths may well follow in Ghana, because that country is hopelessly ill-equipped to deal with such a huge influx of returning citizens.

The exodus has rightly caused widespread international indignation, but it has yet to bring much public criticism within Nigeria. Indeed, even the neighbouring states which have had to cope with the flood of humanity have expressed more sorrow than anger.

There is a grudging recognition that Nigeria has acted within its legal rights, both in terms of its own laws and its treaties with the rest of the reigon, in expelling the illegal workers. The sorrow has been rather over the manner of the expulsion, with only two weeks given for the majority of the workers to leave.

Pressure

There was undoubtedly considerable political pressure on the Nigerian Government to expel the migrants. Rightly or wrongly (more the latter than the former) they were blamed by Nigerians for taking scarce jobs at a time when thousands are being laid off because of the slump in the Nigerian economy. With still less justification, they are also accused of being behind much of the violence endemic in Nigerian society. Trade union and popular pressure on the Government, in the critical months leading up to national elections, must have played a large part in the decision.

It is open to question whether the move will be good or bad for the Nigerian economy. It has enabled many construction companies and textile factories, already severely affected by the recession, to lay off excess workers.

On the other hand it is very doubtful that Nigerians will willingly take over the menial jobs many migrants performed. Moreover the panic caused among all foreigners in Nigeria by the rising xenophobia has persuaded many skilled workers to leave who will be sorely missed. Thinking Nigerians are beginning to express disquiet both about the random effects on the economy, and at the severe blow to Nigeria's international standing dealt by the decision.

Several questions must be asked: How did Nigeria allow so many illegal migrants to gather in the country? Could not the Government have provided facilities—boats and buses—to cope with the inevitable exodus? Why were neighbouring states not consulted before the decision was announced?

Incapable

Ghana in particular, home of as many as one million of the migrants, deserved advance warning. No government can cope with an influx on this scale, and least of all the administration of Flt-Lt Jerry Rawlings, which presides over a bankrupt economy.

His military regime may well be incapable of resolving the country's political and economic problems. But Ghana neds stability, and nobody's interest—including Nigeria—is served should the arrival of job-seeking, impoverished migrants add to the problems of a precarious government.

Welcomed

Nigeria's return to a civilian government in 1979 under President Shehu Shagari was widely welcomed in the West and eslewhere. The country has played an increasingly important role in international affairs. The president himself is often looked on as black Africa's leading spokesman.

The events of the past fortnight, however, with the pathetic spectacle of refugees overwhelming Lagos dock and clogging the road to the border, have damaged Nigeria's reputation. The insensitive, ill-planned expulsion appears to owe much to electioneering and to xenophobia. Should Nigeria wish to redeem its name it must ensure that the remaining migrants are helped to leave in a decent and orderly way.

Water: the long term questions

THE DIFICULTY of finding a solution in the water strike is sad, but not surprising. Experience with the civil servants and the hospital workers showed that where a body of workers with a sense of grievance collides with the Government's public sector pay policy, trench warfare results.

This is a risk which has been inherent in the official policy from the start, as it is in any attempt to use the public sector to lead the trend of settlements downwards. Union leaders are bound to rise to what they see as an open challenge, and whenever the policy is successful, and relativities are depressed, the grievance is created for the next round. Government by sheer willpower does have some useful economic result, but they are bought at a cost.

These costs may well be thought worth paying in a short-term battle to change public perceptions; but some hard thought also needs to be given to the longer term. A constant battle of wills, in which a victory for either side is likely to be thought only a truce, is not an acceptable long-term strategy. This requires an attack on the underlying issues.

Disadvantages

Nearly all these issues are entangled in the water dispute. In 1974 a host of local water and sewage undertakings (such as are found in other countries) was brought together under the National Water Council. This was intended to bring what was seen as a long-term threat of water shortage under national management. It could be tackled only, it was thought, by transferring water across the country, and handling sewage as a water conservation problem. The fact that it opened the door to national wage negotiations was an unhappy by-product.

The ministers in office in 1974 would have lost little sleep over this problem; but the present Government should recognise the disadvantage of national wage agreements, even when they do not lead to damaging national strikes.

The fact that wages do not generally reflect local conditions—which include a much lower cost of housing in depressed areas—is a major cause of regional unemployment. In the private sector, national agreements tend to impede the introduction of cash incentives, which often prove highly popular once they are introduced. This question does not seem a promising subject for the Government's programme of labour legislation, but as an employer the Government can pursue the objective of local bargains and plant incentives, just as GEC does in the private sector.

Impediment

The coming break-up of the national council into smaller and more responsive local units may in the long run help in this respect, but it would be unwise to expect too much. National bargaining is a genie which is difficult to stuff back into its bottle, except by offering a more attractive alternative.

The *Government's own* national pay policy is also an impediment to free bargaining over this issue, just as it hampers efforts to address the other two problems involved: pay relativities, and the right to strike in essential public services. It may be some time, indeed, before ministers are ready to give any serious thought to the problem of relativities, after their baptismal experience with Clegg. Whether tackled formally or ignored it is a problem which will always be with us.

Attractive

The question of essential services, on the other hand, is easier to face, since its solution requires a type of agreement which would be widely attractive—a long-term contract with a no-strike disputes procedure and an arbitration system binding on both sides. Private employers have from time to time offered such contracts with substantial cash incentives to win what they see as solid economic advantages. The arguments are redoubled in key public services.

THE WORLD'S BIGGEST AUTO MAKER

GM's dramatic shift of gear

By Richard Lambert in New York

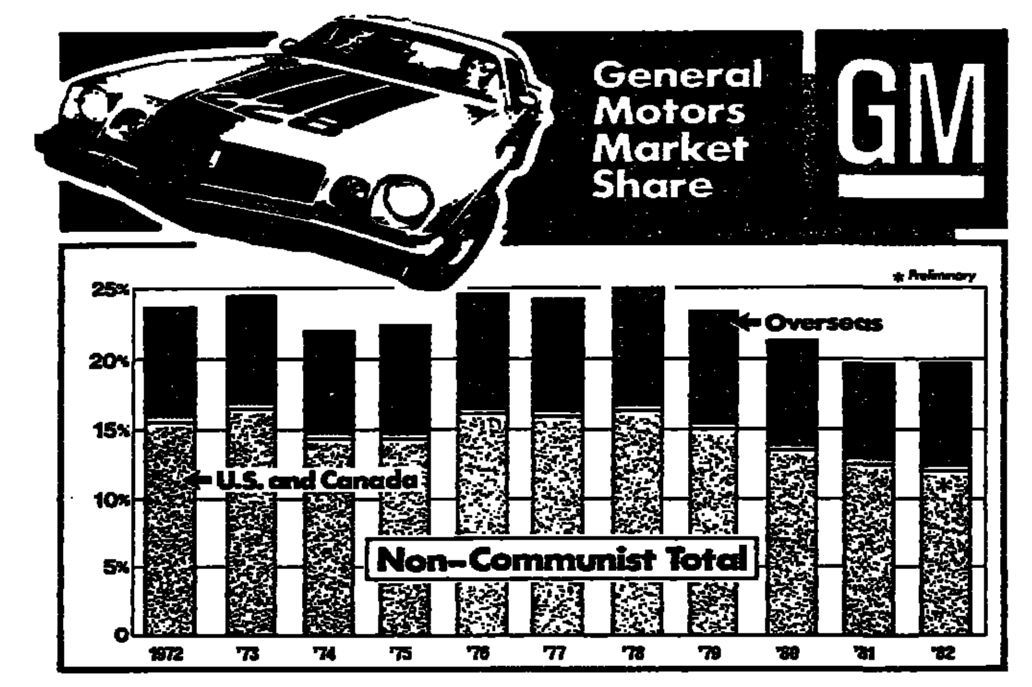
IN THE next few weeks, two major announcements are expected from General Motors' fortress-like headquarters in downtown Detroit. One — the 1982 profits statement — will be a dramatic illustration of the extent to which the world's biggest motor manufacturer has cut its overheads in the past two years. The other, short of any last-minute hitch, will detail a joint venture agreement with Toyota of Japan of a kind that would have been inconceivable only a few years ago.

General Motors sold 3.5m cars in the U.S. during 1982, and the forthcoming profit figures will probably show that its net income in the year came to very roughly $900m. Two years earlier, its U.S. sales exceeded 4m cars — and it reported a net loss of $762m.

The expected link-up with Toyota to build small cars in California is an even clearer sign of the changes which are taking place at a company which used to consider itself in a different league to all other motor manufacturers. The acronym NIH — standing for "not invented here"—was a term of contempt among GM managers in the past, and as recently as 1979 the company seemed to be ignoring the possibility that perhaps the Japanese competition was on to something.

An organisation with annual sales of about $70bn—roughly equal to the gross domestic product of Belgium—does not change its character overnight. Top GM executives still promote in public the idea that the good old days will return once the recession is out of the way. But behind the bland rhetoric, there are signs of major shifts in GM's approach to its business.

Whole layers of management have been removed. According to Mr Roger Smith, the chairman: "We have taken somewhere between 20,000 and 30,000 salaried employees out of the organisation." The company is changing its relationship with its suppliers, rethinking the role of its operating divisions and subjecting itself to the most searching study of its organisation to have been undertaken in the past 20 years.



Brana Radovic

ROGER SMITH
Positive changes

The changes which are under way at GM are not the result of disasters in the market place. Most of the inroads by importers into the U.S. market have been made at the expense of Ford and Chrysler, and GM's share of the domestic market for passenger cars has held up relatively well in the past decade. Thanks to a successful new model, it has made significant strides in the light truck market over the past year.

But since Mr Smith became chairman a little over two years ago, the company has been forced to recognise some painful truths.

The first came when, according to Mr Smith, "we realised that it was not going to be possible for us using our present manufacturing techniques to make a small car at a profit." GM badly needed a replacement for the ageing—and loss-making—Chevette, but concluded that the S-car, which it is now making in Spain, would not give it a sufficient edge over the Japanese in the home market.

It is not that the Japanese have any technology which is not available in Detroit. But it has been estimated that as a result of much better work practices and assembly planning, it can take very roughly half as long to build a small car in Japan as it does in the U.S. Together with lower wage levels, that could add up to a cost advantage of $2,000 or more per vehicle. Coupled with a generally higher level of design skills, Japanese manufacturers have been able to grab about half the U.S. market for small cars.

The next blow came in 1981, when with many fanfares and at considerable expense, GM launched the J car in the U.S. market. This was to have been the spearhead of its effort to drive the Japanese back into the Pacific but, says Mr Smith, "maybe we rushed too fast." However, many Americans thought the car was overpriced. Improvements in the performance specification have since done a great deal for the J car's sales, but there was no disguising the initial disappointment.

There were other problems. GM, like almost everyone else, considerably underestimated the scale of the recession. And Mr Smith personally came in for heavy criticism for a number of public relations gaffes during a period of difficult labour negotiations a year ago. These culminated when improvements to white collar bonus arrangements were disclosed on the same day that the company signed a tough new contract with the United Auto Workers Union.

But after a rough start, Mr Smith is now recovering his poise. Thirty-three of his 57 years have been spent working for General Motors, a good number of them on the accounting side. So it is no surprise that there has been a major drive to improve working capital controls during his regime. Significant changes have been made in the way that the company buys its raw materials, and component suppliers say that GM has started to take a much tougher line than in the past on quality, delivery and price.

The most important move to date came when GM told the steel companies last year that they were going to have to bid for its business in future, and supply on a fixed price basis throughout the model year.

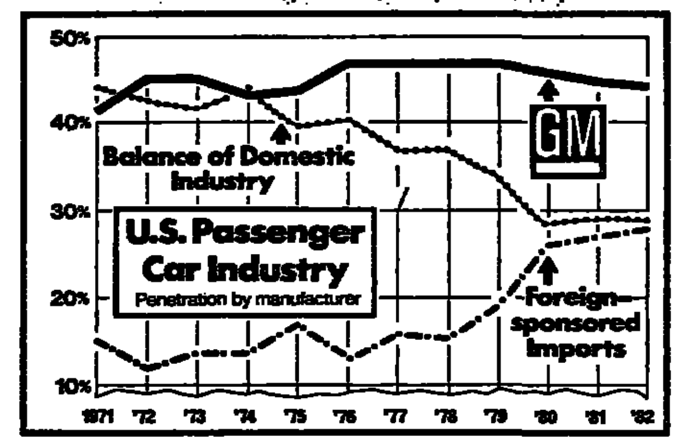
According to one major U.S. steel company, this was a landmark change for the steel makers—and one which is now being reflected in their relations with other customers. In the past, GM had been a loyal customer of the U.S. industry, content to buy largely on the basis of list prices. The change had been painful for some suppliers, but in the steel company's words: "If we don't have a healthy GM, we all run out of gas."

The impact has been felt throughout the GM organisation. Says Mr Smith: "If you were the Grand Rapids stamping plant manager, you used to have anything up to four or five weeks of steel sitting out there in your back yard. Most of our plants are now carrying around five days' on average."

Largely as a result of these changes, he claims, GM's inventories fell by about $1bn last year. Its balance sheet has been further strengthened by the fact that the company has passed the hump of its capital spending programme.

Whereas other U.S. industrial leaders, like U.S. Steel or Du Pont, reacted to the recession by spending huge sums on diversification, GM has concentrated on its existing business. In the past four years, it has spent over $30bn on fixed assets and tooling.

This has bought substantial new facilities, and an up-to-date product range. "Thirty per cent of everything we were making last year was brand new from the ground up," says Mr Smith. "We are a year and a half to two years ahead of our U.S. competition, and widening the gap."



GM has three new assembly plants, each representing an investment of $500m or more, which are now approaching completion in the U.S. And it has invested over $2bn in the development of the Opel Corsa, which started production in Spain last autumn. The company has reported big losses in Europe for the last three years, but is looking for a turnround now that the Corsa is on the market and appears to be selling well.

But the problem of the U.S. market for small cars is not going to be resolved just by building new plants. Mr Smith believes that the only way to compete with Japan's high productivity and low unit costs is to develop what he describes as "a whole new approach to manufacturing and assembly"—a major step ahead of the techniques which are being used to build the S-car in Spain. GM's technical staffs are now looking for ways to achieve this goal—and have not been set any time limits.

Hence GM's links with Japanese manufacturers, which Mr Smith describes as "an interim measure—a way to reserve our place in this segment of the market until we can come up with something."

Next year, the company will start importing a small car made by its Japanese affiliate, Isuzu Motors, and it will also be bringing in a mini car made by Suzuki Motor, which will probably be smaller than anything produced at present in the U.S.

The Toyota link is much the most significant. More than a year after negotiations started, Mr Smith says: "We're very close to a deal." No details have been released, but the general idea is that the two companies will work on a 50-50 basis to produce a small Japanese-designed and powered car at a currently disused GM facility in Fremont, California. Toyota will provide the know-how and most of the new capital, and the plant will produce upwards of 200,000 vehicles a year.

Meanwhile, other changes will be taking place in GM's product line-up. In the past decade, the traditional identities of the company's operating divisions have become blurred by the introduction of basic models—like the X-car or the J-car—which have been sold under different badges with only minor changes in specification. Long-time buyers of, say, Pontiac cars began to ask themselves why they were paying a premium for something which was very close to a Chevrolet.

The current plan is to reverse this trend towards centralisation, and push more authority out to the subsidiaries. "One thing that the customer is going to see is more differentiation between the product lines of the divisions," says Mr Smith.

In addition, the company has set as a strategic objective the development of new product lines based on its existing technological skills. Last summer it announced the formation of a joint venture with Fujitsu Fanuc of Japan to design, manufacture and sell robotic systems on a 50-50 basis. GM claims world leadership in numerically controlled paint sprayers, and Mr Smith believes that in the next ten years this could become a significant business even by GM's scale of reckoning.

But perhaps the most crucial changes of all concern management's relationship with labour. The Japanese have taught Detroit that autocratic management styles may work when production is the top priority but are difficult to square with an emphasis on quality. GM nowadays is paying much more attention to the idea of employee participation in the production process, and this seems to be more than just lip service.

Mr Owen Bieber, president-elect of the United Auto Workers says that the "whole question of quality of product has resulted in a greater attempt on the part of GM's local management to involve employees in decision-making."

Mr Bieber is not starry-eyed about the company's management. "GM is still GM," he says, and adds the pointed thought that "Mr Roger Smith now understands the UAW better than he did when he became chairman of the board." But he does concede that a number of positive changes are taking place at the company.

That seems to be a general view. "In such a monolithic organisation it takes a long time to alter course by just two degrees," says Ms Maryann Keller, an analyst with Paine Webber Mitchell Hutchins. "But the evidence is emerging that top management is adopting a more realistic strategy, which could fundamentally change the company."

Men & Matters

Olsen Line

Trying to assemble a word picture of the secretive Fred Olsen, owner of Timex, numerous tankers, and much else, is rather like trying to sketch the invisible man.

Scottish trade unionists who met him face-to-face yesterday tel me that he doesn't eat much. "Thin as a bean-pole—looked a bit pale" they said following talks with Olsen at the Excelsior Hotel, Heathrow, over the future of the Timex Dundee plant.

Olsen had blown his cover to the extent of paying for the delegation to be flown from Dundee to meet him in a chartered aircraft. The talking started in the morning and continued through the afternoon.

"Only a few sandwiches *appeared: I was bloody starving*," a member of the delegation groaned and added of Olsen, "He was a shrewd cookie—wouldn't commit himself."

Train fare

"It's just like a continental café, with tablecloths, otuside tables with umbrellas, all decked out in brown and cream."

That may not sound much like a British Rail station buffet to you, but it is Ian Taylor's description of the refreshment rooms at Bognor Regis station which he took over from BR a couple of years ago.

One of the other changes that followed, he claims, is that the buffet now takes more cash than the two nearest pubs.

Taylor's private company TWT—which, he says coyly, is primarily engaged "in the contractual side of worldwide engineering projects" but caters for two London nightclubs—is now negotiating with BR to run the buffets on some Southern Region trains.

Taylor promises better food and service at lower prices. An English breakfast — something like those once served on the Brighton Belle—for around £2 instead of £5.

There is some way to go yet before Taylor becomes the first private caterer aboard BR trains. But the move is in line with Government thinking and he promises the unions to retain all existing staff.

Southern Region seems favourably disposed. "If we can offer better facilities in this way and therefore get more passengers, then it is all to the good."

Over a Barrel

British Steel has ruffled more than a few parochial feathers in, of all places, Sheffield, traditional home of the steel industry and of managers with steel backbones, by quietly removing a 120-year-old gun barrel from the old British Steel River Don works.

A large van arrived unannounced at the works, which is now part of the newly formed Sheffield Forgemasters (a joint British Steel and Johnson and Firth Brown enterprise) and took away around a tonne of polished gun barrel.

One theory is that it is destined to be a monument to the great days of steel at British Steel's London HQ on the Albert Embankment. But those British Steel executives "in the know" are not telling.

Sheffield is not standing idly by. The River Don shop stewards have protested at the removal of their proud relic. The Morning Telegraph, Sheffield, the steelmen's newspaper, has joined in with a vitriolic editorial accusing British Steel bosses of nothing less than looting and industrial shop-lifting.

Sheffield steel historian Dr Kenneth Barraclough considers the matter of sufficient importance to issue a dignified demand from the groves of academe for the return of the weapon.

"I hope Esso won't load the cost of its move on to the private motorist"

The fuss is about a rifled barrel made in 1862 from cast steel to try to persuade their Lordships at the Admiralty that steel was better than iron for the job. Sir William Armstrong, master of rifled Ordnance, fashioned a 20-pounder which passed its tests with flying colours.

As mystery surrounds the missing barrel the shop stewards are pointing out that British Steel's deputy chairman, Bob Scholey — known to old Sheffield hands as Black Bob — has often admired this momento of Sheffield's heyday.

Chase ended

Bill Ogden, the fiery vice-chairman and chief financial officer at Chase Manhattan Bank, is leaving after 31 years to start "a second career."

Ogden helped guide Chase through a difficult period last year when it suffered from the effects of the collapse of Penn Square Bank and Drysdale Government Securities.

And he has enjoyed much international limelight recently as architect, and interim chairman, of the Institute of International Banking, the clearing house for information on overseas lending.

He had been in line for the president's job at Chase. But Williard Butcher, Chase chairman who took over from David Rockefeller, chose the younger Thomas Labrecque instead.

That, said Ogden yesterday, had not been "a major factor" in his decision to quit. At the age of 55, he felt "it was time to explore the alternatives."

They are unlikely to be much different from his current activities. "It would be quite natural to be involved in banking and finance in the future."

The Institute that he helped to create has been looking for a managing director. But Ogden reaffirmed yesterday his opinion that the post should go to a non-American.

Should he choose to leave Chase for a regional bank, Ogden would at least be in familiar company. Former Chase men John Place and Barry Sullivan now occupy the top spots at Crocker National and National Chicago.

Splashing out

Business is obviously booming for Powell Duffryn. A company press release yesterday was headed: "Powell Duffryn's bulk liquid storage division expands further in the USA to the Great Lakes."

All my eye

Did you hear about the optician who went to live on an island off Alaska? Now he's known as an optical Aleutian.

Observer

ECONOMIC NOTEBOOK

If you must fight, don't lend

By Samuel Brittan

IT IS not often that Mr Dennis Skinner of the Labour Left and Sir John Biggs-Davison of the Conservative Right agree with each other; and it is still less often that I agree with either of them. But I would endorse completely their protests against British banks taking part with official encouragement in loans to Argentina. As another dissenting MP pointed out, Argentina's indebtedness is partly due to the purchase of arms which were used against Britain in the Falklands and which could be used for that purpose again.

No one will believe — I am sure the Prime Minister does not — that IMF credit ceilings will prevent the diversion of funds for military purposes. Indeed Argentina's economic difficulties stem at least in part from its "guns before butter" policy. Mrs Thatcher had the candour to accept "that if one lends money for one purpose it releases money for another."

There is room for more than one view on whether the Falklands were worth a war where 1,000 people died and several times that number were wounded. But there can be no case for providing funds to rebuild the Argentine economy at the very same time that the British Government is spending over £1.8bn in the next three years to "maintain a substantial garrison in the Falklands" and to replace lost equipment with the object of deterring, but if necessary resisting, at the cost of more lives, any further raids. Britain should either move to a negotiated settlement, which would involve discussions on "sovereignty," or cease to bolster a potential enemy.

A package for Argentina of several elements is in the process of assembly. There is an IMF package of \$2.2bn, and a BIS "bridge" of \$0.5bn. International commercial banks are involved in rescheduling of \$5.5bn, "new money" loans of \$1.5bn, and a bridging loan of \$1.1bn. (There is some overlap between the first two items.) British banks are believed to account for about 10 per cent of the total commercial bank involvement.

The Prime Minister and Chancellor have clearly been persuaded by the Bank of England (with whom neither has a sure touch) that British banks must take part in credits to Argentina to prevent the "collapse of any bank or banks" involved in lending to Latin America. The implication is the semi-Marxist one that the capitalist system is so precarious that we cannot pick or choose to whom we make loans.

The issues go well beyond the Falklands. It was not a very good advertisement for western capitalism that the decision on whether to reschedule both banking and official debts to General Jaruzelski's Poland could not be made on broad foreign policy considerations, but was guided by fears of the consequences for the western monetary system of a Polish financial collapse. There is something wrong with an approach to the international banking crisis which implies that western countries cannot afford a financial showdown with any dictator of the Right or Left. What would have been the public reaction if British banks had been encouraged to lend to Napoleon, the Kaiser or Hitler before hostilities had been declared at an end in the supposed interests of preventing a world depression?

The present approach puts excessive power in the hands of potential defaulters who can threaten: "We will fall down dead if you do not support us." A more systematic approach to rescue operations, with clear-cut guidelines, and publicised fall-back plans to support the world banking system in the event of a major default, would give the West more bargaining power in dealing with threats made by dictatorial or fanatical regimes of all kinds.

REAL GOVERNMENT SPENDING

FIVE-YEAR COMPARISON

Public expenditure in cost terms†

	1978-79 £m	1983-84 £m	Change £m	% change	1978-79 % of total	1983-84 % of total
Social Security	25,187	30,471	+5,284	+21.0	25.0	28.8
Defence	11,486	14,163	+2,677	+23.3	11.4	13.4
Health and Personal Social Services	11,378	12,942	+1,564	+13.7	11.3	12.2
Scotland, Wales, Northern Ireland	11,182	11,268	+ 86	+ 0.8	11.1	10.6
Education and Science	*11,883*	*11,127*	− 756	− 6.4	*11.8*	*10.5*
Industry, Energy, Trade and Employment	4,652	4,981	+ 329	+ 7.1	4.6	4.7
Law, Order and Protective Services	3,120	4,060	+ 940	+30.1	3.1	3.8
Transport	3,750	3,811	+ 61	+ 1.6	3.7	3.6
Other Environmental Services	3,458	3,157	− 301	− 8.7	3.4	3.0
Housing	5,478	2,474	−2,999	−54.8	5.4	2.3
Agriculture, Fisheries, Food and Forestry	*1,246*	*1,554*	+ *308*	*+24.7*	*1.2*	*1.5*
PLANNING TOTAL—rounded	100,700	105,900	+5,200	+ 5.2		

† Base year 1981-82.

Source: Public Expenditure White Paper. FT Statistics Division.

Dollars and deficits

SOME YEARS ago I produced the "counterintuitive" theory that under some circumstances budget deficits strengthen the currency and reduce inflation, but are bad for output and employment. The one element in common between my suggested approach and the conventional view was that deficits are in both cases bad for the current balance of payments.

There was nothing all that mysterious about it. In a world of integrated capital markets a borrowing government can tap the world supply of savings and not merely those of its own citizens. It does not even have to do anything very active to achieve it. A moderate increase in interest rates produced by the increased supply of U.S. Treasury bonds and bills will attract an increased inflow of capital to the U.S., thus promoting a "high" dollar exchange rate.

Recent events in the U.S. seem to provide a striking corroboration. The Budget has been presented with great realism—thanks to Prof Martin Feldstein—but has also been received with understandable suspicion in the financial community.

The markets have, however, received the budgetary news by marking up the dollar. The U.S. currency is not, fortunately, back to its November high, but the trade-weighted average has risen a good 4 per cent from its early January low.

Large Budget deficits will of course only strengthen currencies if overall confidence is maintained. Maintaining this confidence is partly a matter of political uncertainties being greater in other parts of the world than in the U.S., but partly also of monetary policy. For the moment markets are taking notice of the tougher tone in statements by Fed chairman Paul Volcker and Board member Henry Wallich, who assure their audiences that the overshoot of all the monetary aggregates in 1982 was "technical" and that there is to be no let-up in the overall policy of not financing a renewal of inflation.

Confidence is obviously more precarious in Britain, because of both oil and election uncertainties; and it is extremely doubtful if a surprise package of large Budget reliefs would strengthen sterling—not that the Chancellor should want to do so. His main concern should be to consolidate the potential benefits from the depreciation that the pound has already had, while also signalling that "enough is enough."

Public spending priorities

IT MAY be desirable to plan public spending in cash. But if we want to inspect the record, it is essential to look at the numbers in indexed terms. Unless we make an allowance for changes in the value of money, it is impossible to say how much either public spending as a whole or any of its components has risen or fallen.

The new UK White Paper tells us that public expenditure as a proportion of the national product (measured by GDP at market prices) reached a trough of 40 per cent in 1977-81 under the Callaghan-Healey regime. It rose to 44½ per cent in 1981-1982, and is expected to tail off to 43½ per cent in 1983-84.

But changes in this ratio owe as much to changes in the national income brought about by boom and slump (mostly the latter) as they do to public spending movements. There is no substitute for inflation-adjusted figures for public expenditure itself, which are given in just one table at the end of Volume One of the White Paper in very summary form.

The real rise between 1978-79, the last year of the Labour Government, and 1983-84, the most likely last year of the present Parliament, is estimated to be 5.2 per cent or £5.2bn during a period when total national output and expenditure, measured in the same way, fell. How much of the public spending rise is due to policy and how much to the automatic effects of recession? It is not all that easy to say.

The largest percentage increases have been due to Law and Order and Defence, and that will surprise no one to hear. It is partly due to greater volume, but partly to pay increases for policemen and servicemen above the rate of inflation. If this had not taken place, public expenditure would have risen by less than 2 per cent over five years—a near freeze.

The biggest absolute increase recorded, however, was for social security. My back-of-the-envelope calculations suggest that unemployment benefit and short-term and long-term supplementary allowances account for nearly £3bn of the £5.3bn social security increase shown in the table.

The next largest absolute increase was in the health and related services. Industry and employment rose slightly; but this is more than accounted for by the rise in employment services, itself largely a response to recession. To be only slightly unfair, it is expenditure on "job creation" rather than jobs themselves. The real increase in the Department of Employment category was nearly £2bn, the greater part of which is represented by the Manpower Services Commission. If we allow too for the element in the nationalised industries deficits due to recession, it looks as if the total recession-related cost has been well over £5bn.

The two items showing the biggest fall are housing and education. I am not going to put my head into the storm of the education debate; but, in principle, the fall in housing is entirely justified. Accommodation is a private good, which can be perfectly well left to the market. The way to help poorer people meet their rent and mortgage payments is to redistribute cash rather than invoke subsidy and control.

It is possible arithmetically to attribute the total net increase in public expenditure of over £5bn to any combination of plus items one likes. Thus it is equally true to say that without the recession public spending would not have risen at all and that without the increase in expenditure on "guns and truncheons" it would not have risen significantly. With both these factors removed there would have been a fall of over 3 per cent in public spending and we could have avoided most of the increase in the tax burden which paradoxically has come with Tory rule.

The calculation could be blown up further by taking into account revenue lost by recession. But my intention here is not to rewrite history but simply set out what lies behind the rise in public spending by a government committed to the opposite—and why cuts in so many services have been necessary to produce the levelling off we are seeing near the end of the quinquennium.

Lombard

How not to tame the press

By Max Wilkinson

FOR NEARLY four months, the Prime Minister's office has been "punishing" the press by severely curtailing the normal embargo system for advanced copies of important documents. This followed the premature disclosure in some papers of names in the Falkland Islands honours list.

As a result Tuesday's 150-page public spending White Paper, for example, was released to the press at mid-day, just 200 minutes before the official publication time, instead of being sent out a day in advance as would have been "normal" practice.

The Downing Street press office may have had a case for cracking the whip back in October when the embargo system was breached, but the continued restrictions are now operating against the public interest.

It is clearly wrong that journalists should be obliged to summarise or comment on complicated state publications without having had adequate time to read them properly.

For this reason a system of advanced copies under embargo has been operated successfully for many years in the UK and in most industrialised countries. Over the years there have been few breaches of confidentiality and these have almost always been honest errors.

However, the continued restrictions, which limit the issue of advanced copies to, at most, a few hours before publication time has a more serious aspect.

It is becoming clear that the restrictions stack too many aces in the hands of the authorities. For journalists who are denied the possibility of careful study of a document before their deadlines for writing are forced to rely more heavily on official conclusions and special "press summaries."

They also become more open to the blandishments of "leaked" hints which can be used skilfully to steer them towards a particular interpretation.

This may well have happened with the reporting of the Franks report on the Falkland Islands conflict which was issued only a matter of hours before the deadlines for most daily papers. Many comments must necessarily have been based on a superficial or partial reading. This may not have mattered to the Government since the report's conclusions were broadly favourable to it. But in general the public interest requires that time should be given for contrary evidence to be sifted as well.

The present restrictions were imposed when Mr Bernard Ingham the Prime Minister's blunt-talking Press secretary, wrote to all Press organisations asking for an assurance that the breach over the Falkland honours would not recur.

Most organisations gave the assurance, but the Newspaper Publishers Association, which represents the Fleet Street nationals, has not yet done so. The letter to the NPA on October 11 may have been considered provocative by some editors. It said: "It would be very useful to have the observations of your organisation and the editors of your member companies on whether the Government could have any grounds for confidence in the embargo system in future."

At all events, the NPA appears to have been somewhat dilatory. It is due to consider its position in relation to the letter at a meeting today, but the general question of embargos has not been discussed by any of its specialist committees.

Downing Street maintains that a matter of principle over the observance of embargoes is at stake. Downing Street also appears to believe that the system represents a special privilege for the press.

There is, however, a more important principle at stake. The system has helped safeguard the thoughtful and independent reporting of State papers. The government interest and the public interest do not always co-incide, as even prime ministers may sometimes need to be reminded. The public interest requires a press which will keep up the pressure of informed criticism. Petty restrictions which inhibit criticism may occasionally appear to serve the Government's immediate interest; but in the long run they injure it because some journalists may tend to become more critical and less well informed.

Letters to the Editor

Shareholder democracy and the building societies

From the Chairman, Building Societies Members Association

Sir,—Under the heading "Shareholder democracy" (January 19) the Building Societies Association is quoted as finding it "difficult to see how it (the election of directors of building societies) could be more democratic."

I experience no such difficulty. A paramount mischief is the pre-empting of the electoral process by the practice of co-option, frequently soon after the AGM at which a proper election could have occurred. A variety of undemocratic devices occurs when elections are held. These include asterisks to denote favoured candidates on ballot papers; the requirement that voters must vote for as many candidates as there are vacancies, the lack of secrecy in voting which must prejudice staff members and even, in small societies, potential borrowers, unfair proxy systems, and arbitrary restrictions on descriptions of candidates not favoured by the boards, and so on.

As for the publication of annual returns, so lauded by the BSA, these can be withheld from members until after the relevant AGM. It is true that as a result of reforming pressure, Anglia and Nationwide are now grudgingly modifying this particular method of denying information to members.

C. F. J. Punt,
107, Pilton Street,
Barnstaple, North Devon.

From the Chairman
British Legal Association

Sir,—The recent announcement that building societies are seeking to widen their activities to cover estate agency, surveying, conveyancing, insurance, personal loans and hire-purchase finance and so on, ought to give cause for very real concern. That concern stems from the fact that the building societies were established for the purpose of raising, by the subscriptions of their members, funds out of which advances could be made to members secured by mortgage of freehold or leasehold property. Over recent years one has seen the way in which building societies have vied with each other to become bigger and bigger and to have ever-more palatial offices, none of which can be in the interests of their members, i.e. investors and borrowers.

Far from encouraging the present proposals, the building societies should be told very firmly to revert to their proper function and to stop empire-building which can only have the effect of making their services more and more expensive and thus to push up the price of house purchase. If the house owning public becomes locked into the corporate machine providing the services which are now proposed, then it is the public which will suffer as do all of us when we are sacrificed on the altar of the myth that bigger is better.

Stanley Best,
British Legal Association.
116 London Road,
Southborough,
Tunbridge Wells, Kent.

The earnings league

From Mr C. Trinder.

Sir,—The article on the average earnings of manual workers in the water industry compared to those in gas and electricity (January 26) and the correspondence from Mr Hill (January 28) prompt further comment. It is true that great care is required in interpreting the information given in the Department of Employment's "new earnings survey," but some of the relevant qualifications indicate that the statistics at face value understate the deterioration in the water workers' relative position in the earnings league.

The 1982 new earnings survey figures of £154.30 average earnings for gas workers and the £153.00 for electricity do not reflect any settlement since the April 1981 survey, whereas the £136.90 for the average earnings of the water workers does include their settlement for the 1981-82 pay round. If the 1981-1982 electricity and gas settlements were included the earnings gap would be 20 per cent rather than the 13 per cent implied by the published figures.

The average number of hours worked by the water workers for the £136.90 is 43.1, compared to 40 for average earnings of £153.00 in electricity, so the differential in hourly earnings between water and electricity (but not gas) is wider still.

Although shift premiums account for £9.70 in electricity and only £3.50 in water, payments by results account for £28.10 of the £136.90 in the water industry compared to only 60p of the £153.00 in electricity, so the basic pay element in water seems to be much smaller.

These points are not offered as proof that the water workers' grievances are justified, but indicate that evidence from a single source can support a variety of positions. Moreover, several complementary sources of detailed wage data on water workers' pay are available, eg from the census of production as well as the Department of Employment's earnings surveys, and it is well nigh impossible to form a view without considering all the evidence.

Chris Trinder.
National Institute of Economic and Social Research.
2, Dean Trench Street,
Smith Square, SW1.

Commodity futures markets

From Mr B. Jones

Sir,—Mr Metcalfe (January 27) neglects to mention the taxation position of private investors who may be tempted to consider commodity syndicates.

The Inland Revenue has remained silent on the taxation of futures dealings by individuals whether directly or in managed syndicates. Investors may well find themselves in a very unfavourable taxation position if they happen to make profits.

The reluctance of the Inland Revenue to conform with world standards and decide firm rules for the taxation of futures transactions by individuals resident in the United Kingdom is, of course, the reason for the proliferation of offshore funds. Investors naturally wish to know how they are likely to be taxed before they can analyse risk and reward in the marketplace.

Before the Department of Trade, or any other body, seeks to "regulate" all overseas investors in UK markets, an impossible task, which would result in permanent damage to London's markets, the taxation position of local UK investors must be clarified.

The disappointing start to the new LIFFE market is primarily because of the uncertain taxation position of would-be participants.

It is time the Inland Revenue considered the benefits which would accrue to the national exchequer from taxation fairly levied in these markets. Fair taxation would result in a decline in offshore funds which yield no tax at all.

B. L. Jones.
36/38 New Broad Street, EC2.

The loan guarantee scheme

From Mr S. David.

Sir,—I was very interested in Mr Tann's letter (January 25) concerning the Government's loan guarantee scheme. He made the important point that it would be counter-productive to require that budding entrepreneurs should commit their personal assets as security for the funds raised for ventures. The whole point of the scheme is to enable viable ventures to get off the ground which otherwise would be held down by lack of security or by the entrepreneurs very justified unwillingness to commit his family's assets to a business venture.

An entrepreneur, however, who makes some commitment is usually far less cavalier with his company's spending, and thus has a greater chance of success, than someone who makes no commitment at all. The commitment should be proportionate to his own net wealth rather than to the amount of the loan, and the actual sum can be quite small. I would certainly agree with Mr Tann that the borrower should never have to risk losing his home, but it seems reasonable that the "risk-taker" should accept some risk if only of a fairly limited nature.

Stephen N. David.
39, Queen Anne Street, W1.

Concern over losses

From the Honorary Director and Secretary, National Society of Non-Smokers,

Sir,—The tobacco industry's concern (January 25) over plummeting sales and over 70,000 jobs lost is clearly intended to touch a sympathetic nerve among readers.

If we may, however, we would invite them to consider the other side of the coin—that smoking, according to the Government's own estimates, is directly responsible for 50,000 premature deaths every year; that the cost of the National Health Service for treating smoking-related illnesses amounts to over £100m a year; and that, according to the Royal College of Physicians, smoking results in the loss of 50m working days a year.

When the choice is between profits and jobs on the one hand, and lives and health on the other, I wonder where readers' sympathies lie?

Tom W. Hurst,
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40/48 Hanson Street, W.1.

FINANCIAL TIMES
Thursday February 3 1983

SHULTZ GREETED BY PROTEST OVER KOREA

China attacks U.S. manoeuvres

BY TONY WALKER IN PEKING

CHINA sharply attacked the U.S. over its participation in a big military exercise in South Korea yesterday in an apparently calculated move to reinforce its new, independent stance on foreign policy.

The attack came, significantly, on the day Mr George Shultz, the U.S. Secretary of State, arrived in Peking for talks aimed at easing the recent strains between the two countries.

In language reminiscent of statements aimed at Washington at the height of the dispute over arms sales to Taiwan. Peking described the military exercise as a "war provocation" against North Korea.

The People's Daily, the Communist Party newspaper, demanded that the United States immediately stop the exercise. "Otherwise," the paper said, "the United States will be held responsible for all the serious consequences arising therefrom."

Western diplomats in Peking see the Chinese attack, coinciding with Mr Shultz's arrival as serving two functions. One is to reassure North Korea that China has its interests in mind; the other is to put added pressure on Washington at a time when there are differences in Sino-U.S. relations over issues such as textiles.

The attack is also an important reaffirmation that China wishes to put some distance between itself and the U.S. after the honeymoon years that followed the normalisation of relations in 1979.

It seeks to do this while continuing talks with the Soviet Union in an attempt to repair the 20-year-old rift with its Communist neighbour.

Mr Shultz described China's action as "provocative." But he added: "I do not know of any reasons to expect any explosion from this."

At a banquet in honour of Mr Shultz, Wu Xueqian, China's Foreign Minister, called for further efforts to remove "dark clouds" from Sino-U.S. relations. Mr Wu said last August's Sino-U.S. communiqué on arms sales to Taiwan marked an important step towards removing obstacles, "however, that does not mean our relations have since embarked on a smooth path," he said.

The People's Daily said the "show of force" by the U.S. and South Korea had "aggravated tension in the Korean peninsula and gravely endangered peace and security in North-East Asia." It said China supported the North Korean decision to put its forces on "semi-war state" in response to the military exercise and blamed increased tension in the peninsula on American participation in the exercise. The U.S. was accused of moving large quantities of arms into South Korea.

"This perverted action has not only jeopardised the prospects for the independent and peaceful reunification of Korea, but has also seriously endangered stability in the Korean peninsula."

U.S. shifts policy on trade safeguards

By Paul Cheeseright in Geneva

THE U.S. has stiffened its position on the nature of new rules to curb imports, which will be negotiated this year.

This shift suggests a more liberal approach to trade by the U.S. but it will make the negotiations much more difficult, trade diplomats said. The U.S. is now more sharply at variance with the EEC on the issue.

After a policy review in Washington, the Reagan Administration has decided to oppose any new rules which would permit a country to put up import barriers against an individual supplier. In the General Agreement on Tariffs and Trade's jargon it is against selective safeguards.

The U.S. is now generally aligned with the developing countries, which consistently have opposed any official international approval of these safeguards. But it has moved into a camp opposite that of the EEC, which, since the 1970s, has sought a Gatt regime to permit the use of selective safeguards as a legal alternative to the use of Gatt's Article 19.

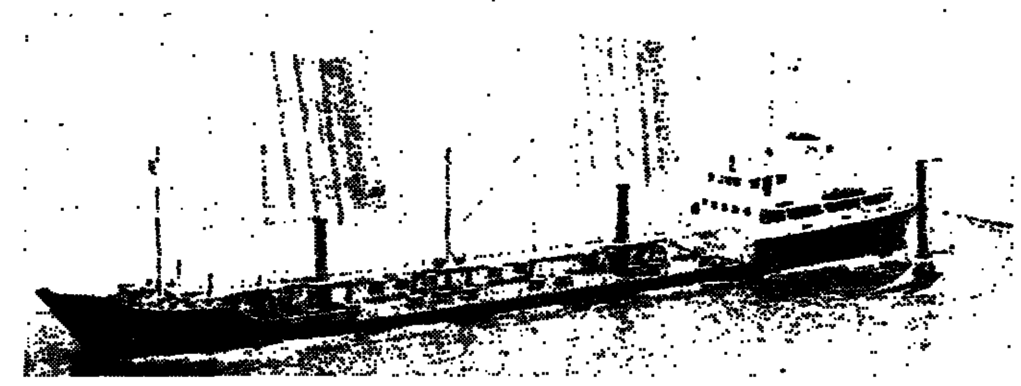
This article provides for a country injured by a surge of imports, to erect barriers against them. It has been traditionally interpreted as demanding that the barriers be imposed against all supplying countries, which then have the right to seek compensation.

In recent years, Article 19 actions have taken second place to quantitative restrictions and other non-tariff barriers. EEC nations, such as the UK, have argued that such bilateral arrangements distort trade less than the use of Article 19.

The U.S. shift is effectively a move back to its traditional stance. In the months preceding the Gatt ministerial conference last November, the U.S. had adopted the notion of "consensual selectivity," which it presented as a compromise between conflicting EEC and developing countries' views.

Consensual selectivity, although never defined in minute detail, would have permitted one country to safeguard its industry against imports only when the supplying country agreed and the agreement was subject to international scrutiny and a predetermined time limit.

Repeated attempts to resolve the safeguard issue failed, but led to a commitment by the last Gatt ministerial conference to end negotiations by next November.



A model of the aerofoil sail system which will be fitted to the tanker, The Oilman

Sail-powered tanker for UK

BY RAYMOND SNODDY IN LONDON

THE FIRST modern British commercial vessel to go to sea under partial wind power should sail into the North Sea early next year with the help of computer-controlled wingsails.

It is believed to be the first such use of sail power on a large modern commercial vessel in Europe.

Preliminary agreement has been reached between Rowbotham Tankships, a British-based tanker company, and Walker Wingsail Systems near Southampton for nine month sea trials of the auxiliary propulsion system.

The plan is to fit the aerofoil sails which give twice as much thrust as cloth, to The Oilman, a 1,560 dwt tanker, which is at the moment only six months old.

Although the financial details have yet to be agreed, the plan is that Walker Wingsail Systems will install a system costing about £160,000 ($247,000) at no charge and will receive a proportion of the fuel savings.

"Depending on where the ship sails and the wind conditions, I would expect fuel savings of between £50,000 and £80,000 a year," says Mr John Walker, founder and managing director of Walker Wingsail. The payback period for the system, he says, could be as little as two years.

Fuel accounts for 40-50 per cent of a modern vessel's costs and Mr Walker estimates his wingsail system can save about 20 per cent of fuel costs. The rigid sails are made of Kevlar, a moulded plastics composite.

The Japanese have been experimenting with auxiliary sail power for several years, and there is a U.S. ship using a large cloth sail. Walker Wingsail has also been holding serious talks with F.T. Everard, one of Britain's leading shipowners.

Mr Walker, who combines a training as an aeronautical enginer with a love of sailing, says he believes that the British technology is the most advanced produced so far.

At the heart of the system is a purpose-built microprocessor which automatically controls the set of the sails to take advantage of any wind available and which links the sails and the conventional power system.

"The control is completely automatic and absolutely no training is needed to operate the system," says Mr Walker, who has been working on wind power for nearly 15 years.

The total investment in the project is around £1m.

Captain Keith Barnett, a director of Rowbotham, which is a wholly-owned subsidiary of Ingram of New Orleans, said the idea merited further investigation and he was "cautiously optimistic" that the project would prove viable.

Mr Walker says his wingsails could be an important safety device – providing basic power if the main power system of a ship failed.

Last month Prutec, the high-technology venture funding subsidiary of Prudential Assurance, said it would be investing £125,000 in the wingsail project after evaluating a 7.5 metre wingsail research craft built by Walker Wingsail.

Mr Derek Allam, Prutec chief executive, said that although it was an unusual investment for Prutec, "there is every indication that such alternative methods of propulsion have exciting prospects."

IH denies farm sale rumours

BY PAUL BETTS IN NEW YORK

INTERNATIONAL Harvester, the ailing U.S. farm equipment and truck manufacturer, last night denied rumours that it was negotiating the sale of its North American farm equipment business – one of its two core divisions with its U.S. truck operations.

Harvester said it had had discussions with other farm equipment companies in the U.S. and overseas on possible joint ventures, joint manufacturing and marketing agreements and would continue to have such discussions.

The company, whose stock had been actively traded in New York in the past 48 hours, was responding to a flurry of market rumours about the sale of the farm equipment business.

The company said: "International Harvester is not engaged in negotiations with anyone for the sale of is North American agricultural operations."

The company also said it was unable to predict the eventual oucome of the joint venture discussions adding "there is no basis for speculation that any transaction is imminent." The company, whose stock has been trading sharply higher, said it knew of no news that would account for the stock activity.

Apart from the rumours about a possible deal involving the Chicago-based company, there have been some expectations on Wall Street that the company would report more moderate than expected losses for its latest three-month period ended December 31.

International Harvester lost $1.01bn in its fiscal fourth quarter ended last October. For its latest fiscal year, the company's net loss totalled $1.64bn.

Some analysts are predicting a loss for the quarter ended December of between $150m and $200m.

Wall Street, Page 31

French Socialists row over austerity threat

By David Marsh in Paris

A SHARP public row has broken out in the ranks of France's ruling Socialist Party over the possibility of a fresh package of government austerity measures which could be introduced after next month's municipal elections.

Testifying to the sensitivity of feelings in the party five weeks ahead of the first round of elections on March 6, some conspiracy-minded Socialists ascribe this week's rumours of further belt-tightening to a campaign by M Michel Rocard to undermine President Mitterrand. M Rocard heads the "pragmatic" wing of the Socialist Party from his outpost at the planning ministry.

The prospect of a further tightening of economic policy was paraded in front of the press on Monday by M Edmond Maire, the uncompromisingly individualistic leader of the pro-Socialist CFDT trade union.

After a meeting with President Mitterrand at the Élysée, he spoke of a "hypothesis" of "a second plan of rigour" which might have to be introduced in economic policy in coming months.

Coming at a time of gloomy news on the economy – a stream of recent reports from the national statistics institute show no sign of upturn from recession – M Maire's message was ill received.

M Lionel Jospin, first secretary of the Socialist Party, responded by saying that M Maire was not renowned as an economic specialist. Warning him to show more "prudence," he pointed out – in an elliptic statement designed to show that the Socialists were keeping all their options open – that "happily, the screwdriver was not the only instrument of economic policy."

M Jospin spoke of "uncertainty" over the world economy, the price of oil and the value of the dollar which affected an analysis of the French economy.

Government experts this week estimated that the latest fall in the oil price and the steadiness of the dollar could cut France's energy import bill by FFr 20bn ($2.8bn) this year – which would moderate the need for fresh efforts to cut consumption to lower the trade deficit.

The Socialists' discomfiture has been heightened by controversy over possible cuts in living standards this year whipped up by the right-wing opposition.

M. Jacques Chirac, the swashbuckling mayor of Paris and former Prime Minister, taunted the Government at the weekend by warning that 1983 would be the first year of "social regression" since the Second World War.

M Pierre Mauroy, the Prime Minister, responded in best political tit-for-tat style that unemployment had doubled when M Chirac was in charge in 1974-76.

The possibility of a fresh "twist of the screw" to reduce the trade deficit from FFr 93bn last year was first mooted in December by M Jacques Delors, the Finance Minister. Along with M Rocard, who called last month for workers with jobs to make pay sacrifices to help the unemployed, M. Delors is the leading member of the band of "economic realists," who arouse hostility in the Socialist Party mainstream.

Contention over the economy was increased this week by a leak to the press of a confidential draft report from the secretariat of the Organisation for Economic Cooperation and Development (OECD), criticising key aspects of the Government's policies.

THE LEX COLUMN

Losing altitude at Boeing

The world's largest aircraft producer was projecting 202 completed commercial aircraft deliveries for 1982 as late as the middle of last year, so its final tally of 168 is a startling indication of the spending cuts of airline customers. Defence sales to the U.S. Government, however, are up almost 50 per cent to $3.2bn, providing a crucial shield when the group is eating up cash.

Boeing's fixed overheads remained stable last year, but even so an 8 per cent fall in revenues has converted into a steep fall in operating margins from 4.4 to 2.5 per cent. On top of that, the run-down of Boeing's cash balances from $2½bn a few years ago to a meagre $300m now has been reflected in a deterioration of interest cover, leaving pre-tax profits for the year down 47 per cent at $364m.

Most of the cash has gone to build up inventories – up 20 per cent in 1982 – as Boeing expands its 757 and 767 production programmes aggressively. It has lifted its projection for total aircraft deliveries in 1983 from 181 to 194 this week, which would add at least $2bn to commercial revenues for the year.

It may be, however, that in the present climate Boeing feels rather more confident about its expectation of further growth in military sales.

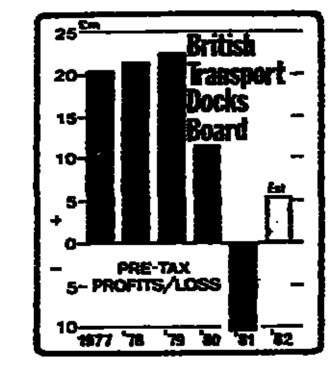
Dunlop

The sale last July of Dunlop's 51 per cent share in Dunlop Malaysian Industries for £73m seemed at the time to be something of a coup. Yet in recent months, when the relative buoyancy of the Malay ringgit has lifted the sterling value of the deal to £86m amid persistent rumours that the sale might be falling through, it all looked a little too good to be quite true.

The deal has now been ingeniously reconstructed, in order to save Pegi, the Malaysian purchaser, the embarrassment of a forced bid for the minority holdings (raising the total outlay to £150m or more).

A newly designed corporate vehicle will raise three-fifths of the purchase price in bank loans, while Dunlop contributes another fifth in subscribing for half of the new vehicle's equity. Pegi now has immediately to find only MR 52.5m (about $16m).

Dunlop still receives an instant cash injection of £58m, only £8m less than its own market capitalisation, while retaining 25.5 per cent of a business with better long-term prospects than much else in the group.



ABP

The Government could hardly have emphasised its political commitment to privatisation more emphatically than with the flotation of Associated British Ports. After trying to squeeze every last penny out of Britoil – and using up a fair measure of City goodwill in the process – it has reverted to conservative pricing and a conventional selling procedure. The proceeds of £22m are paltry compared with the political capital involved. ABP is being floated off at less than a third of book net worth and on a towering yield of almost 9 per cent.

The price reflects what might turn out to be an extremely cautious view of medium-term profits after the company's sizeable reorganisation of the last two years. But it also underlines the unexciting image of a company in a mature industry. The return on current cost net worth of £328m has recently been negligible and ABP's most extravagant supporters could hardly claim that it has outstanding prospects for growth. UK port traffic has gone up slightly over the last decade, but is now feeling the full weight of recessionary pressures. The main growth in ABP has come from increasing its share of UK port traffic.

The scope for further competitive volume gains is by no means clear in a market suffering from overcapacity and while ABP may be able to develop some of its property assets, they are not of the sort that lend themselves to stripping – particularly when the Government continues to hold 50 per cent of the equity. On this basis, the argument for pricing the company as an income stock looks overwhelming.

Adjusting for the capital reorganisation, the proposed 1983 dividends would be covered 1.5 times if fully taxed profits turned out the same as last year's. What fund managers may well be looking at, however, is ABP's potential as a recovery stock. The annual interest charge will now drop from around £7m to £2m, while operating costs, heavily geared to the size of the payroll, have been trimmed by 2,000 redundancies. And ABP is one of those rare companies that would profit from any sort of growth, whether import or export led.

Boots

The return on sales achieved by the UK retailing division of Boots has been in almost inexorable decline since the mid-1970s. Last year's net margin of 5.3 per cent is a mere shadow of the 8.7 per cent return obtained in 1977. And, if assets were marked to market, the return on capital would make dismal reading too.

So, before Bashernoster Holdings turns its attention to the problem, the new management team has announced a plan to incorporate its 138 houseware outlets, trading as Timothy Whites, into Boots the Chemist. Boots plundered the most attractive Whites sites after the merger of the late 1960s and, with its poor locations and small average store sizes, Whites has recently been making a negligible return.

The move fits neatly with the overall Boots strategy of providing clearer identities for individual departments within its stores, encouraging the crowds drawn in by low-margin toiletries to buy the more profitable discretionary items.

Disposal over the Whites sites should produce around £40m in gross cash over the next two years, together with a £35m profit over ludicrously low book values. This should help to fund the limited retail expansion and the cash flow deficits being experienced in the industrial division. Having conducted this thoroughly sensible rationalisation, the next test for Boots will be to put its marketing and merchandising policy right.

Lockheed recovery

Continued from Page 1

Chief reason for the improvement in earnings was a sharp fall in interest costs, from $186m to $130m. With the help of substantial retentions – the company last paid a dividend on its common stock in the fourth quarter of 1969 – plus an equity issue earlier in the year, its shareholders' funds jumped from $141m to $447m over the year.

Long-term debt increased from $757m to $884m, mainly as a result of an increased investment in fixed assets and working capital.

The funded order backlog at the end of the year amounted to $5.4bn, up from $4.9bn in 1981. This excluded the $609m contract to build the U.S. air force's new C-5B cargo aircraft.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	13	55	Dubrovnik	C	12	54	Malaga	S	18	64	Salzburg	Sn	0	32
Akrotiri	R	10	50	Faro	S	16	61	Malta	S	17	63	Seoul	-	—	—
Algiers	F	17	63	Florence	S	13	55	Manila	F	20	68	Singapore	-	—	—
Amsterdam	C	5	41	Frankfurt	F	4	39	Miami	R	21	70	Stockholm	Sn	-6	21
Athens	S	13	55	Funchal	C	17	63	Milan	S	11	52	Strasbourg	F	5	41
Bahrain	F	11	52	Geneva	F	5	41	Moscow	Sn	1	34	Sydney	-	—	—
Bangkok	F	24	75	Gibraltar	S	18	64	Munich	C	0	32	Taipei	-	—	—
Barcelona	F	13	55	Guernsey	F	7	45	Nairobi	-	—	—	Tangier	S	16	61
Beirut	C	16	61	Helsinki	C	-10	14	Naples	-	—	—	Tehran	-	—	—
Belgrade	C	5	41	H. Kong	C	16	61	New Delhi	F	6	43	Tel Aviv	C	14	57
Berlin	C	2	36	Innsbruck	Sn	4	39	New York	-	—	—	Tenerife	S	20	68
Biarritz	F	11	52	Inverness	Sn	2	36	Nice	F	14	57	Tokyo	-	—	—
Blackpool	C	5	41	Istanbul	S	10	50	Oporto	S	14	57	Toronto	-	—	—
Bordeaux	R	9	48	Jersey	S	9	48	Oslo	F	-3	27	Tunis	S	17	63
Brussels	S	5	41	Jo'burg	F	17	63	Paris	C	7	45	Valencia	S	15	59
Budapest	C	6	43	Las Palmas	S	21	70	Prague	F	2	36	Venice	S	13	55
B. Aires	F	12	54	Lima	F	24	75	Reykjavik	C	-6	21	Vienna	C	3	37
Cairo	C	8	46	Lisbon	S	13	55	Rio de J'o	-	—	—	Warsaw	F	2	36
Cape Town	-	—	—	Locarno	S	9	48	Rome	S	15	59	Zurich	F	3	37
Caracas	C	16	61	London	S	7	45								
Casablanca	S	16	61	Los Angeles	R	10	50								
Copenhagen	C	-1	30	Luxembourg	F	3	37								
Corfu	C	12	54	Madrid	S	11	52								
Dublin	C	4	39	Majorca	C	13	55								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Gulf prepares European withdrawal

Continued from Page 1

To add value to the company's stock, which like other oil company shares has been left behind in the current Wall Street bull market, Gulf has been buying back a substantial amount of its own shares. Mr Lee said that since the buy-back programme was started eighteen months ago, the company had bought 23m shares and had board authorisation to buy in another 7m shares.

When that is completed, Gulf will have reduced by 15 per cent its outstanding shares. But while the stock buy-back makes economic sense at present, Mr Lee emphasised that the programme was only viable as an interim action.

The priority at Gulf is to replace the company's domestic hydrocarbon reserves through discoveries or acquisitions. At one stage last year, Gulf offered to buy for $5bn Cities Service, the large domestic oil company. But it had second thoughts and cancelled its bid.

Mr Lee said this week he had ordered a major change in exploration strategy. Considerable emphasis was now being placed in the frontiers, and the search for giant or elephant fields. He said that to continue searching in "the nook and crannies of the lower 48 states has proven to be a stay alive strategy at best." Gulf wanted to do better than stay alive.

Thus, it was concentrating its efforts in the Alaskan frontier and in the new, highly promising offshore play in California's Santa Maria Basin and Santa Barbara Channel.

Nonetheless, the economies of the oil market have forced upon Gulf to cut back on capital spending programmes. Mr James Murdy, Gulf's senior vice-president of finance and planning, said the company spent $3.7bn in capital expenditures last year, or $600m less than 1981 capital spending. "Much of that cut came from U.S. exploration and production because that's where we've been spending the biggest chunk of our money," he said. This year, Gulf expects to spend about $3.5bn or a bit less than last year.

Much will inevitably depend on what happens to oil prices. Mr Lee was reluctant to make any detailed forecast except to say that oil prices were obviously heading down. Gulf led the latest cut in U.S. oil prices this week by lowering by $1 a barrel the price it pays for U.S. crudes. On Tuesday, nine major domestic oil companies in the U.S. including Texaco and Shell Oil followed suit.

The worst possible picture contemplated by Gulf is a drop in oil prices to $28 a barrel. Depending on what margins the company could retain in the market place, a drop in oil prices to this level could reduce profits by up to $250m, Mr Lee suggested. In any event, even with a recovery in the U.S. economy and elsewhere, Gulf does not expect any dramatic pick-up in petroleum demand.

U.S. petroleum demand last year was nearly 20 per cent below its peak in 1978 and Mr Lee said: "We expect no increase over the next five years, despite some growth in real GNP." Natural gas consumption declined by 7 per cent last year. "He ended the year with 20 per cent of our producing capacity shut in, a factor which depressed earnings by $50m, Mr Lee added.

Last year, for the first time since the great depression, electricity usage fell in the U.S., thus reducing demand for both coal and fuel oil. As if that were not enough, the month of December in the U.S. was 18 per cent warmer than normal.

Mr Lee claimed it had so far been the third warmest winter in the U.S. since the depression – a fact which had brought little sunshine to the people at Gulf

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday February 3 1983

U.S. EXPANSION HELPS TO LIFT SALES BY 16%

Siemens boosts profits to record level

BY STEWART FLEMING IN FRANKFURT

SIEMENS, West Germany's leading electrical group, brought a three-year decline in its profitability to a halt in its financial year ended September 1982, boosting net profits from DM 509m to a record DM 738m ($300m).

The figure is struck after increasing expenditures on pensions by almost DM 1bn. Siemens' previous earnings peak was DM 721m in 1978. Sales revenues for the year were DM 40bn.

In the first quarter of the current financial year despite stagnating sales of DM 8.9bn, profitability improved to DM 160m compared with DM 144m in the same period of 1981/2. Profit margins, moreover, were maintained at the level reached in the last quarter of 1981/2.

Financial factors such as increased interest income and lower securities write-offs have contributed to the group's earnings recovery. The company's drive, however, aimed the raising productivity through cutting its workforce, trimming back product lines and improving financial and stock controls, have also played a major part, helping the company to combat the recession in many of its markets.

IN A significant step to broaden its U.S. operations, Siemens has disclosed that it is buying from Gould, the Illinois-based electrical group, its distribution and controls division which has sales of DM 500m ($203.25m). Siemens has also restructured its U.S. operations to give them greater independence.

The moves would appear to reflect the company's decision to give greater priority to building up the U.S. operations. The problems which several major West German companies have run into with ambitious U.S. expansion plans suggests, however, that Siemens is unlikely to abandon its traditionally cautious approach to developing new markets.

Questioned about the company's U.S. strategy, Dr Karlheinz Kaske, the chief executive, said that in spite of recent acquisitions Siemens was still very small in a *market* which accounts for half the world's electrical equipment market.

With the Gould acquisition, Siemens's sales revenues in the U.S. have reached DM 3bn, compared with around DM 160m a decade ago.

The new divisional structure divides the U.S. operations into four: communications, medical systems, components and Siemens-Allis which makes turbines and electrical equipment, mainly for industry.

The newly acquired Gould operation will be managed by Siemens-Allis. Among the products acquired, which will broaden Siemens range in the U.S. are moulded case circuit breakers used in manufacturing industry and construction.

Thus Siemens has finally been able to make progress in controlling its stock levels, a success which on its own has made a major contribution to increasing efficiency and profitability.

According to Dr Karlheinz Kaske, the company's chief executive, the bulk of the DM 2.5bn improvement in the company's liquidity – liquid reserves now exceed DM 11bn – reflects improved stock control and the faster flow of products through Siemens factories.

There are signs that moves to raise efficiency through trimming back the range of products it supplies and improving the quality of its plant and its products are paying dividends.

Losses in the company's electron*ic components division have* been reduced despite the weakness of world semi-conductor market.

In the company's troublesome data processing division the heavy losses of last year have been reduced to what Dr Kaske describes as a "*low double digit level.*"

Loss reduction alone however is only a beginning for a division of the company which with annual sales of only DM 2bn, lags well behind IBM in the West German computer market and is generally seen to be less successful than Nixdorf, the leading German manufacturer.

In the vital telecommunications division which, with sales of DM 11.3 is the group's largest operation, Siemens has made important progress in the telephone equipment market. Its digital switching equipment has now been sold in 12 countries and four switching centres have been handed over to the West German post office for testing.

Thus according to Herr Ernst Gerhardt the senior sales executive in the division, the company feels it is successfully making the change from analogue to digital technology in the public switching equipment market.

In the company's data processing division, too, losses have been very sharply reduced Dr Kaske said. Data processing remains, however, a major challenge for the company if it is to secure a bigger share of the growing office equipment market.

Equally important for the future will be Siemens' ability to build successfully upon its position in the fast – growing private telephone and office equipment markets which will require faster and more flexible reactions to changing market conditions

Commenting on the sharp rise of 16 per cent in its sales revenues for *the 1981/2 financial year, Siemens* makes it clear that exceptional factors, in particular the booking of sales and the consolidation of Siemens-Allis in the U.S., explain much of the increase, and that without these items sales grew by only 6 per cent.

Market reaction, Page 31

Sony halts building of U.S. TV plant

By Jurek Martin in Tokyo

SONY, *the Japanese electronics* group, announced yesterday that it was suspending construction of its nearly completed U.S. colour television plant on the outskirts of Columbia, the capital of South Carolina.

The company said the decision was the result of slack consumer demand, brought on by the recession in the U.S. and in South America, which was also to have been supplied from the new plant.

Sony implied that market conditions would determine when work on the plant would be resumed. It said it had commitments to the state government and had no intention of abandoning the facility.

The decision comes as something of a blow to Sony's pride, though financial considerations clearly prevailed. Few, if any, Japanese companies have been so motivated as Sony by the philosophy that it is best to produce goods in the markets in which they are sold – *as its operations* from South Wales to California testify.

The company's Y4.5bn ($18.7m) investment in South Carolina was announced in September 1981. Its plan was initially to produce 20,000 sets a month, starting this spring.

Sony's other U.S. colour television factory, in San Diego, California, was established in 1972, and produces 750,000 colour sets a year, plus picture tubes.

Last year, Sony sold 850,000 colour TVs in the U.S., the same as in 1981. The company has a sizeable inventory backlog and clearly concluded that production in Columbia would only have compounded the problem, especially since South American demand is too weak to take up the slack.

Furthermore, Sony's 1982 annual report, released this week, points out that U.S. demand is shifting to smaller, cheaper colour TVs. Both the San Diego and the Columbia plants are designed to manufacture larger Trinitron sets of 17 inches and upwards.

Dunlop keeps 25.5% of Pegi Malaysia in new agreement

BY CHARLES BATCHELOR IN LONDON AND WONG SULONG IN KUALA LUMPUR

DUNLOP HOLDINGS, the troubled UK tyre group, will retain a 25.5 per cent stake in its Malaysian operations under a revised agreement with Pegi Malaysia Berhad announced yesterday.

In a deal, announced last July, Dunlop intended to dispose of its *entire 51 per cent stake in Dunlop* Malaysian Industries Berhad for £73m payable over two years. It will now receive £58m ($88.1m) in a lump sum after completion, which is expected to take place at the end of March.

"It is a better deal," said Mr Roy Marsh, corporate affairs director. "We have got the money up front".

Dunlop's shares yesterday rose 2p to 47p valuing the company at £67.6m.

The two companies have decided *on these changes because of finan*cial constraints on Pegi, an investment group which could be required to buy out the 49 per cent minority on the same terms.

Pegi is also keen that Dunlop, which under the original agreement would have continued to provide management services, technical aid and trade mark rights, should retain an equity stake, said Mr Marsh.

In retaining a 25.5 per cent holding, Dunlop is still well within the limits set by the Malaysian Government, whose Bumiputra policy aims at reducing foreign holdings in local *companies to 30* per cent.

The stake in Dunlop Malaysian Industries will also give the UK group a basis for other joint ventures in the Far East, Dunlop said.

"Although Malaysia has gone through a mini-recession we think *there are growth prospects there,*" said Mr Marsh. "This may mean growth rates of 4 rather than 7 to 8 per cent under the national plan, however."

Dunlop hopes to use the £58m cash proceeds for general corporate financing purposes and should be able to save £6m on financing charges annually.

Exchange rates have moved in Dunlop's favour since the original deal which would now be worth £86m, an increase of £13m.

Lex, Page 22

Petrofina advances 15% to BFr 12.1bn

BY GILES MERRITT IN BRUSSELS

PETROFINA, the major Belgian oil company, has announced that group consolidated net profits for 1982 rose by 15 per cent over the previous year and that it is to propose its 20th consecutive annual dividend increase.

The Belgian oil group's net earnings for the financial period, ended last December 31, were BFr 12.1bn ($251m) up from BFr 10.5bn in 1981. That 15 per cent improvement marked a further acceleration in the group's profit performance, for the 1981 result had registered an 11.4 per cent increase on 1980 net earnings of BFr 9.44bn.

Petrofina is planning to raise its net dividend from the BFr 265 per share paid for 1981 to BFr 295 per share. The group has not yet revealed 1982 sales figures.

Once again, the group has not included the proceeds of its sale of its 42 per cent stake in Petrofina Canada to the national Petro-Canada group in its earnings figures.

Petrofina said that the BFr 8.8bn received as a second tranche of the BFr 36bn deal have been put aside for financing the development of its North Sea Maureen Field and for investment in the group's monetary realignment fund.

The third and final tranche of Petrofina's Canadian deal is due to be paid during the course of 1983. The cash-rich oil group has still, however, to reveal details of its future investment strategy, which is understood to be based on investments totalling some BFr 40bn in U.S. energy projects over the coming 10 years.

Bank of Helsinki plans issue

By Lance Keyworth in Helsinki

BANK OF HELSINKI, the Finnish commercial bank, reports a "relatively good" year in fiscal 1982. It foresees a similar result in the current year – the 70th year of the bank's activities – which will be marked by a rights issue.

The deposit total, including cheque accounts and deposits in foreign currencies, increased in 1982 by 10.6 per cent to FM 3.15bn ($582m). The preliminary results indicate that after the full reservations, depreciation and provisions, the net profit increased by about 25 per cent. The dividend will be maintained at 12 per cent.

Subject to the approval of the annual general meeting on March 8, Bank of Helsinki will launch a two for five rights issue, raising the share capital from the present FM 105m to FM 147m. Five old shares will receive an entitlement to one new share at FM 24 and one bonus share. The average price of the bank's shares on the Helsinki Stock Exchange in 1982 was FM 34, and the range FM 20 to FM 40.

Arlabank earnings increase by 15%

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

ARLABANK, the Arab Latin American consortium bank, lifted 1982 net profits by 15 per cent to $18.6m.

This is after an unchanged payment of $4.5m into the reserve for portfolio protection and against the background of a very modest increase in total balance sheet footings. These rose only 4 per cent to $2.2bn.

The bank has 57.3 per cent of its loan portfolio in Latin America, but Mr C. J. MacGillivray, its senior representative in London, said yesterday that its ratio of non-performing loans to total assets was still less than 1 per cent.

Mr MacGillivray said that the bank has had to work harder for its funds since the Latin American crisis, but flatly denied that it had experienced problems in the interbank market. "We never did pay a premium in the Eurodeposit market, and we won't," he said.

But the bank is taking defensive steps. It is to increase its capital by $25m to $225m and is to restructure its interests under a new holding company in Bahrain.

The present head office in Lima will become a subsidiary, while the bank as a whole will come under the supervisory ambit of the Bahrain Monetary Authority.

Arlabank has improved its liquidity position. Cash and near-cash deposits almost doubled last year to $383m, while its medium-term loan portfolio grew slowly to $550m.

ICI and Marley to merge PVC sectors

BY BRIAN GROOM AND CARLA RAPOPORT IN LONDON

IMPERIAL Chemical Industries and Marley, a UK building products group, said yesterday that they were negotiating a merger between their loss-making British PVC processing subsidiaries.

ICI told its 1,150 workers involved that they would have to take a pay cut as part of the deal. If the merger failed to go through, their factory at Hyde, Manchester, would almost certainly have to close.

A new company called Weston Hyde Products will be formed from ICI Hyde Products and Marley's Wallington Weston subsidiary. It is expected to have sales of about £55m ($84m) when it starts trading, probably in the second quarter of 1983, giving it a dominant position in this depressed sector.

Wallington, based in Frome, Somerset, uses polyvinyl chloride to make plastic sheeting for upholstery and furniture. ICI's subsidiary, turns PVC into wallcoverings, sheeting and coated fabrics.

This is the third major rationalisation in Britain's PVC sector in the past eight months. In December the Bernard Wardle Group bought Storeys Industrial Products, a PVC processing subsidiary of Turner & Newall, resulting in the loss of about 650 jobs. Last June ICI and British Petroleum agreed on a swap of plastics capacity, which resulted in BP pulling out of the PVC market.

NORTH AMERICAN RESULTS

Hiram Walker moves ahead

BY OUR FINANCIAL STAFF

HIRAM WALKER Resources, the Canadian distiller, gas utility and natural resources group, has reported net profits for the first quarter ended December 31 of C$48.7m (US$39.6m), or 70 cents a share, against C$37.1m, or 54 cents, a year earlier. Revenues were C$995.9m against C$932.6m a year earlier.

The improved results were largely due to increased operating income in the distilled spirits and Canadian natural sources segments where increased prices more than offset declining volumes.

The company, formed three years ago by the merger of Hiram Walker-Gooderham and Worts into Consumers' Gas, reported depressed earnings for the year ended September, 1982, of C$1.43 a share on revenues of C$3.4bn.

● After slipping back earlier in the year, income from North American *Philips' continuing operations rose* from $27.9m to $29.7m or $2.14 a share in the final quarter of 1982. The increase stemmed from tax adjustments, lower interest costs, and improved results from the consumer electronics segment, partially offset by declines elsewhere in the business. The U.S. company is 61 per cent owned by the Dutch parent.

For the year as a whole income from continuing operations declined by 6 per cent to $73.6m with declines in the electrical and electronical components and consumer electronics segments.

Fourth quarter sales slipped from $906m to $850m, but were marginally ahead for the year as a whole at $3.2bn.

● Lower annual profits for the third successive year are reported by Avon Products, the major U.S. cosmet*ics and fashion jewelry group*, but the group expects 1983 results to show an improvement on 1982.

Net profit for the fourth quarter was $83.6m against $80.4m, making $196.6m for the whole of 1982 against $219.9m previously. Net earnings per share were $2.75 against $3.66 for the year and $1.15 against $1.34 for the fourth quarter, reflecting more shares in issue after the Mallinckrodt acquisition last March.

Sales totalled $3bn for 1982 – up from $2.61bn.

● Despite a strong performance from its domestic operators, Scott Paper's net income fell from $133.3m to $74.5m in 1982, or $1.61 per share. Net income in the final quarter plunged to just $4.1m, compared with earnings of $48.8m a year earlier.

Name changes at Interfood

By John Wicks in Zurich

INTERFOOD, the Lausanne-based coffee and chocolate group, has changed its name to Jacobs Suchard. The original company, whose two main operating subsidiaries were the Suchard and Tobler chocolate concerns, had last year taken over Jacobs, Europe's leading coffee roaster. The move gave the Jacobs family a controlling interest in Interfood.

Mr Jörg von Wyss, the general manager, said the merged company expected net profits of over SwFr 90m for 1982.

REEMTSMA TAKES LEGAL ACTION TO PROTECT CHEAP BRANDS

Smoke signals herald price war

REEMTSMA, the Hamburg tobacco concern that leads the W. German market with some 28.9 per cent, has obtained two injunctions against BAT of Hamburg, a wholly-owned subsidiary of British-American Tobacco, to prevent interference with the sales of Reemtsma's new cheap brands of cigarettes.

On January 21, amid great fanfare, the price of Reemtsma's "West" cigarettes was cut from DM 3.80 a packet to DM 3.30 ($1.34). The company's Herr Christian Vogel described the move as "a market offensive to maintain the position of the brand" at around 0.5 per cent of the market. Next Monday, the price of Reemtsma's almost forgotton Juno brand will be cut to DM 3.15 in shops.

In the first injunction, BAT is forbidden to offer incentives to vending machine operators not to stock West. In the second, BAT is forbidden to call on dealers not to carry the brand.

BAT said yesterday that it had merely attempted to take over empty "columns" in vending machines for its own brands, such as HB the market leader, which are more expensive and offer operators a better return.

Dr Hermann Feldgen of BAT admitted that some company representatives "might have stepped out of line," but said BAT's marketing policy was no different from that of Reemtsma or the other majors, Martin Brinkmann, Philip Morris and Reynolds. German concerns generally offer vending machine operators a premium to take a new brand.

James Buchan says that the first blows have fallen in what *West German* cigarette makers fear could be a ruinous price war in a declining market

This exchange might seem unimportant if vending machines were as few and as vandalised as in some parts of Europe. There are however 700,000 of them in West Germany and they accounted for more than 40 per cent of a market of over 100bn cigarettes last year. This is partly an inheritance from the 1950s, when it was easier to install machines than rebuild shops, and partly a response to the iron punctuality with which all German shops shut at 6.30 pm.

The spur for Reemtsma's offensive is the fall in the market for the five majors, to 106bn cigarettes last year, against 124bn in 1981. In 1982, sales through vending machines fell from 44 per cent of the total to 40 per cent.

What is worrying the big companies most, , however, was the tenfold increase, to 4.3bn units last year, of sales of "no name" cigarettes, which still sell for as little as DM 2.90 a packet.

These are produced by 24 small companies, led by the Austrian tobacco monopoly, whose Munich subsidiary, Münchner Austria, turned over to cheap cigarettes last year when its "Milde Sorte" brand began to lose its place.

This change in smokers' habits is directly attributable to a 39 per cent increase in tobacco tax, introduced by the former Social Democrat-Liberal coalition, in an attempt to plug a hole in its budget last summer.

The tax was a failure. It was designed to raise DM1.4bn in the budget year, but brought in only DM 900m, as smokers baulked at an average 80 Pfennig increase, and either gave up or turned to cheaper brands.

The tobacco industry has approached the Finance Ministry, now in Christian Democrat hands, for special treatment when an increase in VAT of 1 per cent goes into force in the summer.

WEST GERMAN CIGARETTE MARKET (% share)

	1982	1981
Reemtsma	28.9	30.5
BAT	27.1	27.5
Martin Brinkmann	14.8	16.8
Philip Morris	14.6	14.5
Reynolds	10.6	9.9
Others	4.0	0.8

Source: Die Zeit

Philip Morris and Reynolds have improved their position because of the growing popularity in Germany of "American" cigarettes – Marlboro and Camel. Others in the industry fear that the market could fall into complete disorder this year.

BAT's Dr Feldgen said yesterday: "We are now in a fiercely competitive situation. This isn't a young ladies' college now."

Arabian Oil holds payout despite profit downturn

BY YOKO SHIBATA IN TOKYO

ARABIAN OIL, Japan's only oil producing company, which has concessions in Saudi Arabia and Kuwait, posted a setback in its unconsolidated pre-tax profits of 20.2 per cent to Y185.8bn ($771m) in the year ended December 1982.

Net profits fell by 36 per cent to Y1.7bn. Full year sales were Y525bn, down by 3.8 per cent from the previous year. Profits per share for the year slipped to Y34.63, from Y54.12 but the company is paying an unchanged dividend of Y30 per share.

During the year, sales of crude oil fell 6.2 per cent to 9.49m barrels. The company offset some of the fall in its crude oil sales by lifting sales of oil products to a total of 10.59m kilolitres, down by 2 per cent from the previous year.

Affected by both lower volume sales and the lower oil price, the total value of the company's sales in dollar terms fell 15 per cent. However, in yen terms sales were down by only 3.8 per cent to Y525bn, due to the depreciation of the yen against the dollar.

The company was founded with support from Saudi Arabia (10 per cent shareholding) and Kuwait (10 per cent) and it has concessions in Khafuji oil fields in the neutral zone territory between the two countries. The company's higher repurchase costs of Khafuji crude oil from Kuwait and Saudi Arabia caused the cost to sales ratio to decline 7 per cent to 63.8 per cent.

Arabia's interest payment burden, however, lessened by Y3.7bn against the previous year, due to a change in the repurchasing system from Saudi Arabia.

In the current year, the company plans to lift sales to 192,000 barrels daily, up 9,000 on last year. Assuming that crude oil prices will fall by some $4 per barrel, full year sales are expected to reach Y450bn, down by 14.4 per cent from the previous year. On the same assumption, pre-tax profits are estimated at Y167bn, down by 11 per cent and net profits are projected at Y1.65bn, down by 5 per cent, which will enable the company to peg its annual dividend at Y30 without biting into reserves.

Partly-paid bonds fail in Japan

BY OUR TOKYO CORRESPONDENT

JAPAN'S FOUR securities houses have discovered that the good business experienced with zero-coupon bonds has not been repeated in sales of partly-paid bonds.

Partly-paid bonds have been issued in the Eurodollar market, with 10 per cent to 30 per cent of the purchase price payable at the time of issue and the balance due around six months later.

From last December until a few weeks ago the expectation of falling U.S. interest rates and the yen's appreciation against the dollar encouraged the securities houses to attempt to rekindle the boom seen in "zero-coupon bond" sales a year ago.

The houses have been canvassing domestic inevstors, especially large corporations, to speculate on the bonds in the hope of foreign exchange gains from the yen's appreciation and an increase in the price of the bonds by the time payment of the balance was due.

Since the end of 1982 securities houses have participated in several such issues as a lead manager or co-manager and have taken a large proportion of the issues to place for Japanese subscribers. There are said to have been 17 placements, worth $1.73bn in January alone.

However, partly-paid bonds have received a cool response from Japanese investors because of a sudden increase in the value of the U.S. dollar against the yen, followed by the uncertain outlook for the dollar as a result of the U.S. Federal Reserve's failure to cut its discount rate, and the recent upward trend of Eurodollar interest rates.

Sales of the bonds in Japan have been extraordinarily small, standing at less than $100m, the Securities Bureau of the Ministry of Finance says.

The unplaced bonds have caused considerable difficulties to the securities houses, and most of the bonds seem to have been brought straight back to the Eurodollar market and have contributed to the depressed state of the secondary market.

A cool reception has also been given to sales of zero-coupon bonds, which were resumed on February 1, coinciding with a sharp fall in the value of the yen against the dollar.

The enthusiasm of Japanese investors was subdued partly because of a recent decision to postpone the Green card saver identification system for three years. Severe conditions attached to resumption of such sales also dampened the investor interest.

Singaporean group in Thai joint venture

By Jonathan Sharp in Bangkok

THAILAND has granted "promotional privileges," a package of tax and other concessions, to a new Thai-Singaporean joint venture which is being set up to build platforms and other heavy equipment suitable for the natural gas drilling programme in the Gulf of Thailand.

The partners in the venture are Thailand's Siam Gulf Corporation, which will hold 51 per cent of the initial registered capital of 50m baht ($2.2m) and Singapore's Promet Pty, which will hold the remainder and also provide the technological know-how for the project.

The company, the first of its kind in Thailand, aims to start production in one year's time with the domestic market as the prime target. Union Oil of California, which is producing gas from the Gulf of Thailand, needs 13 new platforms for its 1983-84 operations.

The joint venture will be based in Thailand's eastern seaboard south-east of Bangkok.

Agrico Chemical sets up Sri Lankan phosphate deal

BY MERVYN DE SILVA IN COLOMBO

AGRICO CHEMICAL of the U.S., has joined the Sri Lanka Mining and Mineral Development Corporation in a $40m venture to exploit the massive rock phosphate deposits discovered in Eppawela, south Sri Lanka, ten years ago. The state corporation will hold 51 per cent of the shares.

Agrico Chemical says that it will start constructing a factory in Trincomalee, the north-eastern port, to convert the insoluble rock phosphate to soluble phosphate chemicals, diamonium phosphate and triple super-phosphate. The factory will have the capacity to process 585,000 tons a year of which all but 50,000 tons will be for export.

At the end of the first phase, which will take eleven months and cost $8m, borne entirely by Agrico Chemical, the joint-venture will approach international lending agencies for loans. Only 20 per cent of the capital is in equity. Agrico Chemical will also part-finance the construction of an 84-mile rail link between Eppawela and Trincomalee.

Carrian denies Singapore sales

The Carrian Group has made no decision to sell its properties in Singapore, according to Mr Ted Tan, the company's chief executive in the country. Reuters reports from Singapore.

Local reports have it that a decision on the sale of the properties was taken in the last few days and that Carrian was expected to realise HK$600m (US$92m), mainly from the sale of an office block and an undeveloped residential site.

In Hong Kong Wardleys, the financial adviser to the Carrian Group, said the disposal of overseas assets is one of the proposals to meet Carrian's liabilities. It denied any actual sales yet in Singapore.

Air-India chief forecasts record earnings this year

BY R. C. MURTHY IN BOMBAY

AIR-INDIA, the country's flag carrier, has managed to stage a major fight back and turn a loss running at Rs 70m ($7.2m) per month a little over a year ago, into an operating profit of Rs 60m in September 1982.

Air-India is one of the few international airlines to have increased business and made money from it in a market generally suffering from too much capacity and rising costs. It made a net profit of Rs 172.5m in the half-year to September 1982 and hopes to end its accounting year to March 1983 with a record net profit of Rs 400m.

"This is a conservative estimate," says Mr Raghu Raj, the Air-India chairman, who was recently elected president of the International Air Transport Association (IATA). He was honoured by the Indian Government with "Padmashri" (equivalent to a knighthood, in Britain, on Republic Day, January 26.

Air-India is a medium-sized airline with 10 Boeing 747s, five Boeing 707s and three Airbuses. It proposes to phase out the 707s by the end of 1985 and is in the process of selecting a suitable replacement.

The downturn in the airline industry started with a sharp increase in world oil prices in 1979. The fuel bill of Air-India trebled in four years to Rs 2.17bn in April to March of 1981-82 from Rs 690m in 1977-78.

The present improved position for Air-India is the result of a bold plan put into operation last June to lift the airline's profitability. It was facing the danger of slipping back into the red as the shoring-up operation launched in 1980 lost its steam.

Air-India was in the red in 1979-80 along with other world airlines and made losses for two successive years as the rescue measures took a long time to bite. Mr Raghu Raj says the company tried to improve its "product" by lifting its flight punctuality index, improving in-flight cabin service and cutting overheads.

The package helped Air-India to get back into black and make a net profit of Rs 100m last year. The break-even point for the airline dropped 1.5 per cent to 59.5 per cent in 1981-82 from 61 per cent the previous year. Its passenger load factor was 66.9 per cent in 1981-82 against 64.3 per cent previously and the overall load factor rose to 63.4 per cent in 1981-82 from 60.5 per cent the previous year.

Air-India formulated a three-pronged strategy to break out of the vicious circle: it took a calculated risk of reducing discounts on its fares so as to increase the yield per seat mile: it increased fares by from 3 to 10 per cent, boosting earnings further; finally stable world oil prices enabled the airline to control costs and oil price discounts now being offered are expected to cut operating costs further.

The average yield per passenger in the half-year to September 1982 was 15.8 per cent higher than in April to September 1981. As a result, there is a sea-change in route profitability. For years, the Gulf sector was the only source of profits. In the first half of 1982-83, even the highly competitive transatlantic sector has become, for the first time in many years, a paying proposition for Air-India. Similarly, with the India-East Africa route. Mr Raghu Raj says even the India-Australia services will break even soon.

LBI hopes for banking licence in Australia

By Michael Thompson-Noel in Sydney

LLOYDS BANK INTERNATIONAL (LBI) is considering setting up an Australia-New Zealand trading bank in an attempt to help gain one of the ten foreign banking licences the Australian Government is expected to award later this year.

LBI owns the National Bank of New Zealand, which has 196 branches and offices, and believes that a trans-Tasman bank proposal could win the approval of the Federal Australian Treasurer, Mr John Howard. Australia and New Zealand are already moving to forge closer economic relations.

Mr Eric Whittle, chief executive of LBI, stressed in Sydney yesterday that the trans-Tasman link was only one of numerous possibilities being considered.

Foreign banks have until May 31 to apply for an Australian licence, under a plan recently announced by the Government to open up the local market.

Mr Whittle said the international bank would introduce new skills, new capital, and increased competition and he was not impressed with claims that newcomers would simply skim the cream.

"You won't see great profitability among the new banks," he said. "We want to get into Australia because there is little doubt that one day it will be a powerful economic unit. Banks look to the long term."

Australian-owned equity in the new banking ventures was not necessarily a good thing, he maintained.

Advance by Citicorp Australia

By Our Sydney Correspondent

CITICORP AUSTRALIA Holdines, a 100 per cent-owned subsidiary of Citicorp of the U.S., boosted earnings by 22 per cent in the year to December 31, from A$16.8m (US$16.5m) to A$20.6m.

Involved in a wide range of businesses, from merchant banking to money shops, the group is a prime contender for one of the ten Australian banking licences expected to be awarded by the Government later this year.

Business was virtually static last year, with net receivables finishing just 0.4 per cent higher at A$1.62bn. The group's return on total assets last year was 1.12 per cent, which, it says, compares with an average of 1.9 per cent for finance subsidiaries of Australian banks.

Total income was 28 per cent higher, at A$349m, while staff and operating costs were 21 per cent higher, at A$54.4m.

Tax payments came to A$12.2m, up 23 per cent. Total assets grew by A$9m, to A$1.84bn, and shareholders funds rose A$20m to A$197m.

The directors said the group's progress was satisfactory, following its reconstruction in the mid-1970s.

Nokia quits Finland's forests

BY LANCE KEYWORTH IN HELSINKI

NOKIA, Finland's largest private sector company is moving further and further away from its beginnings in the timber industry.

It is already the leading electronics group in Finland, and is one of the country's most diversified groups. Its products range from high technology to diapers, and from cable-making machines to plastic floor coverings. Its markets span the globe, and it has achieved a market capitalisation putting it among Europe's top 300 companies.

Like many other large Finnish companies, Nokia began with wood, in 1865, and forest products is one of the eight divisions into which the company was reorganised at the beginning of last year.

After wood came rubber and cables, and the fusion of these three main sectors followed in 1966. Seemingly unending growth came subsequently, even during the economic depression of the mid-1970s, the worst that Finland has experienced since the war.

The eight divisions of the 1982 reorganisation took in—apart from forest products—rubber, cables, machinery, metal products, engineering, electronics and plastics. Each division was set up with its own subsidiaries and affiliated companies. A few subsidiaries not subordinated into the divisions make electric lamps and hunting rifles, as well as blades for woodworking machinery, and there is a printing house.

Financial strength

Mr Kari Kairamo, president and chief executive of Nokia, sums up the company's present strategy as lying in growth, high technology, and internationalisation. "There were some doubts back in the early 1970s," he says. "Some of the management suggested that Nokia might be becoming too diversified, that perhaps we should concentrate on just a few branches and products. But by the depression of the mid-1970s we felt that our original idea of expansion by diversification was correct. It gave us financial strength, evening out the fluctuations of sales and profits.

"There was always one division at least that was in a position to expand, to invest, or to increase its research and development input. But, even more important, it gave us the possibility of taking what I like to call positive action. The opportunities for growth are hard to find in the world of today, so we should take them when we find them. We had a bit of luck, but we came through the depression. Diversification *helped us to keep on a positive action course.*"

In 1976, at the bottom of the economic downturn, Nokia booked group sales of FM 2.17bn ($400m), the profit was FM 34.2m ($6.4m), and the dividend distribution 8 per cent. In 1981, sales came to FM 5.9bn, yielding a net profit of FM 57m, and the dividend was 11 per cent on a share capital of FM 327.8m. Sales rose a further 13 per cent in 1982, to FM 6.7bn, and profitability is said also to *have risen.*

'Nokia's strategy lies in growth, high technology and internationalisation,' says Mr Kari Kairamo (left), chief executive of the diversifying Finnish forest products group, which has shown growth even at times of severe economic depression

Nokia's investment budget for this year is FM 810m—compared with FM 500m in 1982—with research and development accounting for FM 280m.

The application of Nokia's philosophy can been seen in the forest industries division. "The traditional part of the forest industry of Nokia is dying," says Mr Simo Vuorilehto, managing director of the division. "We're moving further and further away from the forest.

"We'll probably sell our last sawmill this year, and we're phasing out our own pulp production. In the paper branch *we are concentrating on soft* tissues and household papers, and the future is now a marketing rather than a production problem. In short, we're reducing the risks but securing our supplies in the forest products sector."

Nokia has acquired control of British Tissues and production units in Ireland and France. To secure its pulp supplies when its own pulp production is phased out in 1985, Nokia has a 24.5 per cent interest in Metsä-Botnia Oy, which is now doubling its pulp production capacity to 600,000 tonnes a year.

Mechanical pulp production is a heavy consumer of energy, so Nokia has bought into several power facilities, including TVO Power Company, the nuclear power station in Olkiluoto on the west coast of Finland. With *its own pulp production running* down, Nokia thus has power to spare for Finnish Chemicals Oy, which it bought when it came on the market recently. Finnish Chemicals is a heavy user of power and Metsä-Botnia needs chlorine for bleaching its pulp.

Nokia started designing computers in 1972. On May 25 last year, Telenokia Oy, a subsidiary *of the electronics division,* delivered the first fully digital public telephone exchange in Europe to the northern Finnish town of Kokkola.

The division is up against considerable competition in its own backyard. International heavyweights like Ericsson, IBM, Siemens and ITT are *established in Finland.* But Nokia maintains its lead in the electronics sector. Mr Kurt Wikstedt, managing director of Nokia Electronics, says: "Our sales volume curve has shown a constant rising trend since 1970, even during the depression years. Our thinking used to be shaped around the three Cs (computers, communications and controls). Now we've added a fourth C, components. We aim to be self-sufficient."

Growth in electronics

The electronics division, the fastest growing of the eight divisions, has risen to third place in Nokia group sales, after forest products and cables. The takeover of Mobira Oy, which is the largest maker of mobile telephones in Finland, will push its sales up to over FM 1bn by the end of the year. Its research and development expenditure runs at over 10 per cent of sales.

Finnish economic nolicy is growth oriented. Since the population of the country is only 4.8m, continued growth must be export led. Nokia's foreign operations, exports and the activity of foreign subsidiaries combined, accounted for 52 per cent of group sales in 1981, compared with 32 per cent 10 years earlier. "Internationalism is now usually, though still not always, taken for granted," says Mr Kairamo. "*We believe in adapting our international activities to the local* markets. We're not out to blazon the name Nokia itself."

Many users of the Airam light bulb, for instance, may be unaware that Airam is a Nokia subsidiary. The same applies to the Sako hunting rifle in the U.S. and elsewhere, made by Oy *Sako, part of the Nokia group.* British Tissues was the principal sponsor of the European Open golf tournament at Hoylake in 1981, which went under the title. The Dixel Tissues European Open, after British Tissues' main brand name.

Nokia's studded winter tyres, however, still sell internationally under its own name. So do its cable making machines and a couple of million pairs a year of rubber boots and shoes. "We are an international corporation, but we are not about to become a multinational corporation, at least not now or in the near future," says Mr Kairamo.

UK COMPANY NEWS

Henlys losses trebled in year

By Our Financial Staff

HENLYS, the motor distribution group, has been hard hit by branch closures and group reorganisation in the 12 months ended September 30 1982. Following sharply increased midway losses of £2.45m, against £0.67m, the pre-tax deficit for the year reached £5.91m – more than treble the previous year's £1.92m.

Most of the deterioration in the group's performance was accounted for by its motor trading activities where there was further streamlining of operations in the second half. A total of 21 locations, which were unprofitable or where market area overlapped with continuing branches, were closed in the full year.

Despite the closures, Henlys sold nearly as many new cars as in the previous year. Group turnover, excluding car tax and VAT, moved up from £194.1m to £206.6m. However, there was a further substantial fall in margins, reflecting the very competitive market conditions experienced in most of the group's franchises.

The directors are recommending only a nominal dividend of 0.1p net per share for the year. Previously payments totalled 6p split equally between the interim and final distributions.

Trading loss for the period was £2.58m as against a profit of £0.74m last time, which was struck before interest and stock finance charges amounting to £3.33 m (£2.66m). Tax credits were lower at £702,000 (£922,000) after writing off ACT of £869,000 (£966,000) while extraordinary credits came to £377,000 (£361,000).

Costs of £1.88m (nil) directly related to closures and reorganisation have been included in extraordinary items. As a result of the group's poor trading performance, its financial position deteriorated during the year, although the impact was substantially offset by property sales – where extraordinary profits of £2.88m were made on proceeds of £3.75m.

Ray Maughan looks at a major retail group's bid for the catalogue sales market

Sears Holdings posts a mail order challenge

SEARS HOLDINGS, one of Britain's leading retail groups, has been considering a move into the mail order market for the best part of a year. This week it has unveiled its plans to take a minority stake in a new company which, it hopes, will successfully challenge the leaders in the industry.

To form the new company, Sears wants two of the smaller mail order operators to surrender their independence and join it in the quest for what is calls a "new force" in the sector.

Its proposals are these; Sears will inject £16m ($25m) of new capital into its new venture Newco, in return for a 20 per cent holding. Sears wants Grattan and Empire Stores (Bradford) to subscribe to Newco through a direct share swap on terms which would give Grattan shareholders a 44.2 per cent stake in Newco and former Empire shareholders a 32.6 per cent holding.

Sears already owns 7.05 per cent of Empire and a handful of shares in Grattan. Converting these holdings into the new company, Sears would control 24 per cent of Newco which, it estimates, would command 16 per cent of the £2.2bn mail order market.

These proposals are in outline form only and Sear's plans raise as many questions as they answer. The issue which the three companies must address are:

● Will Newco run into a Monopolies Commission reference?

● Will shareholders in Grattan and Empire accept the Newco plan?

● What would be the effects on employment in Bradford, home of both Empire and Grattan?

● What has persuaded Sears – successful owner of such cash generating retailers as Selfridges, Wallis Shops, the British Shoe Corporation chain and the William Hill betting shop operation, to enter a business whose root is the costly provision of credit to home shoppers?

● Why does Sears shun the chance of bidding for both Grattan and Empire outright?

The last two questions are the easiest to answer. A bid for both companies would cost £100m, on Sears' estimates, which would just about drain its cash resources.

Instead, for £16m down, Sears buys a a fifth of Newco (let us hope it thinks of a better name) with a future option of buying more if the newcomer gets a quote and when Sears has properly tested the temperature of the mail order market.

The attractions for Sears of mail order itself are not quite so obvious. Mail order is one of the biggest hidden employers in the British economy. The Monopolies Commission found, when examining the industry at the time of Great Universal Stores's £37m bid for Empire, that no less than 4.8m people (around one in 12 of the population) acted as agents for one or more mail order companies.

Mail order companies have to give bounteous credit to customers and try to match this with trade terms from its suppliers. In general, it gets this equation right but as Henry Cooke Lumsden, the Manchester stockbroking firm, discovered two months ago, cover is not always available.

Last year, Henry Cooke found, Grattan's stock were 21 per cent of its turnover, up from 14 per cent on the previous year. Rumours that Grattan has overbought from the Far East abound and the least that should be said is that the stock turn at Freemans, a leading South London company with a 13 per cent stake in the market, was 15.7 per cent last year. At Empire the turn was only 12.1 per cent.

It is a big market, worth £2.2bn in 1981 terms, but neither Grattan or Empire can claim to have succeeded in it recently. Empire lost almost £2m in the six months to last August and says that it will be in the red for the year as a whole.

It is getting the position straight, says the chairman, Mr John Gratwick, but better controls of debtors, the agency systems and stocks will not be enough to pull Empire round before the second half of the current financial year which is just starting.

Grattan's interim profits to end-July fell 62 per cent to just £1m, largely as a result of high inventories, warehouse modernisation and rationalisation costs. A restructuring of joint warehousing arrangements is clearly one card Sears will wish to play and redundancies must be a consequence of Newco's creation.

Grattan and Empire employ some 6,600 direct staff between them, half of which is in warehousing. Both operations are in or near Bradford and, although Grattan has been modernising fast, Empire offers the unused space and claims the efficiency to make integration on one site a feasible option for Newco management.

The Monopolies Commission found indications, if not definite proof, of economies of scale in the mail order business, but also examined the probability that mail order was losing its share of the total retail market – down from 6.3 per cent to 5.8 per cent between 1979 and 1981 – through the increased competition from stores and, perhaps, hypermarket operators.

Sears has clearly examined the distribution advantages of pushing its own brand names through the agency network – clothing and shoes, the Commission found, are among the biggest mail order items – and likes the potential. It must also be looking further ahead. What if agents, and their attendant bad debt risks, could be side-stepped? What if the expense of producing a thick catalogue, which ties the industry into fixed prices for six months, could be avoided? Sears, as much as any other retailer, knows that telecommunications electronics should give the shopper ample opportunity to order goods from a television display in the not too distant future.

The monopolies argument is not resolved but the Commission gave Empire the clearest opportunity to seek new partners when GUS was vetoed.

The introduction of Grattan into a merger may alter the sums but the combined Newco market share of 16 per cent would still be a long way short of either Littlewoods or GUS.

Shareholders in both companies should welcome these proposals as much, in outline, as the Grattan board. Grattan says Sears' plan has "merit" and shares in both companies have woefully underperfomed the market as a whole and the retail sector in particular. Other than GUS – which will resist any cheap take-out for the Empire shares it acquired at 112p – it is difficult to foresee much shareholder resistance.

Empire may be less tractable. It wants a much fuller examination of the industrial consequences of such a merger.

Understandably, Sears may be growing impatient with Empire's foot-dragging, yet shareholders and employees should be let in on the details. Sears may have a plan, but it has yet to reveal the small print.

Increased losses at Quest Automation

By David Dodwell

QUEST AUTOMATION, the computer systems company, has unveiled pre-tax losses of £1.88m ($2.6m) in the six months to August 31 last year. This compares with losses of £1.46m in the comparable 1981 period.

In an unaudited statement prepared for shareholders, who are being asked to approve what amounts to a joint venture with Arab-backed interests, Mr Tony Ebel, Quest chairman, blamed "disappointingly low" order levels for the losses.

Mr Ebel added that orders had picked up in the UK, West Germany and Northern Europe, but the recovery was not expected to be sufficient to eliminate losses at the year end.

The losses were made on sales of £5.05m, almost 17 per cent up on the £4.33m for the comparable period in 1981.

Just over two weeks ago, Mr Ebel announced a deal involving a much-needed cash injection of £2m in which 51 per cent of the share capital of Quest's principal subsidiary, Quest CAE, would be transferred to Gabraphone Transducers and United Technologies Massawippi UK.

These two private companies specialise in the design, manufacture and marketing of transducers. Principal shareholder is the Arab Research and Development Trust, whose UK representative is Mr Saad Gabr.

The collapse in October last year of government-backed merger talks with Racal Redac and Compeda left Quest with an urgent need to find fresh funds

Privatisation of UK ports to raise £22m

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE GOVERNMENT will raise some £22m from the sale of half its share in Associated British Ports, the country's largest ports group with over a quarter of the market.

The price is far less than the £40m or so some analysts had expected, but Mr Keith Stuart, ABP's chairman, said: "It is a fair price, reflecting current profitability as shown in the 1982 results."

Asked if it was fair for the UK taxpayer, Mr Hugh Ashton, a director of merchant bank J. Henry Schroder Wagg, answered: "I think so."

The bank has been advising the government on the sale and Mr Ashton said the price did not reflect special caution after the failure of last year's Britoil privatisation.

The Britoil sale, which was by tender offer, unlike previous fixed-price arrangements, resulted in only 27 per cent of the available shares being taken up. Their price has since fallen sharply.

A year ago, the government was criticised for underpricing the fixed price offer of shares in Amersham International, the radioactive-isotope company. Here, the investor response was huge and the shares climbed.

ABP, formerly known as the British Transport Docks Board, is currently profitable but suffered badly in 1981 from both recession and labour disputes at Southampton, its major port. These have now been sorted out.

The 19.6m shares in ABP, 49 per cent of the total, will be offered to investors at 112p a share on Wednesday, February 9. Employees – ABP has reduced its labour force by 2,000 to 9,250 over the past two years – will be able to acquire up to 1m shares free.

Pre-tax profits for 1982 of ABP, which operates 19 ports around the UK, are estimated in the offer prospectus at £8.8m on revenues of £149.5m.

This takes account of recent payments by British Steel for future use of Port Talbot in South Wales and of ABP payments into its pension fund and to British Rail to settle liabilities under an employees' travel scheme.

Before these adjustments, the 1982 profits emerge at £5.4m. This compares with a £10.3m pre-tax loss in 1981, as the effects of recession combined with the labour problems, and a profit of £11.5m in 1980, well down on the £22.4m of 1979.

ABP is making no forecasts for 1983 and says there is no evidence of an overall economic upturn. But when one occurred, Mr Stuart said, "the potential effect on profitability is very exciting indeed."

He added that ABP could handle a much higher volume of business with no significant rise in costs. Last year, cargo handled at its ports totalled over 76m tonnes.

The prospectus states that at least 7p in dividends will be paid for 1983 if profits "turn out broadly similar to the adjusted profits for 1982." This would cost £2.8m out of the £8.8m profits after tax of £3.9m.

ABP's government debt of £81m has been cancelled ahead of the sale, for which underwriting by Schroder Wagg and Kleinwort, Benson began yesterday. Brokers to the issue are W. Greenwell and Cazenove.

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Row over control of Charles Hill board

BY DAVID DODWELL

MR ALEXANDER Johnstone, who was due to be appointed chairman and chief executive of Charles Hill of Bristol following its merger with Kennedy Smale in November last year, will now not be joining the board, "due to differences which have emerged."

Charles Hill is a ship-repairing and engineering group that has been reporting losses for the past four years. It was hoped that with financial backing from various institutions it could return to profitability through a merger with the larger, and profitable Kennedy Smale group.

Kennedy Smale, an electro-mechanical, telecommunications and knitted-gloves manufacturer with growing property interests, is headed by Mr Johnstone.

Public Works Loan Board rates

Effective February 2

Years	Quota loans repaid: by EIP†	A‡	at maturity§	Non-quota loans A* repaid: by EIP†	A‡	at maturity§
Up to 3	11¼	11⅜	11⅝	12⅝	12⅜	12⅝
Over 3, up to 4	11½	11½	11¾	12⅝	12½	12⅝
Over 4, up to 5	11⅝	11⅝	11⅞	12⅝	12⅝	12⅝
Over 5, up to 6	11¾	11¾	12	12½	12⅝	12⅞
Over 6, up to 7	11¾	11⅞	12⅛	12⅝	12⅝	12⅞
Over 7, up to 8	11⅞	11⅞	12⅜	12⅝	12⅝	12⅞
Over 8, up to 9	11⅞	11⅞	12⅜	12⅝	12⅝	12⅞
Over 9, up to 10	11⅞	12	12⅜	12⅝	12⅝	12⅞
Over 10, up to 15	12⅛	12¼	12½	12⅞	12⅞	12⅞
Over 15, up to 25	12¼	12¼	12½	12¾	12⅝	12⅝
Over 25	12¼	12¼	12⅜	12⅝	12⅝	12⅝

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only

Edelman drops Rico Act suit in Canal bid

By David Dodwell

MR ASHER EDELMAN, the U.S. businessman battling to wrest control of the real estate company Canal-Randolph from Sir Walter Salomon of Rea Brothers, the London merchant bank, has withdrawn suits filed against Sir Walter under the Racketeer Influences and Corrupt Practices (Rico) act.

"The suit under the Rico Act had created an aura that I preferred not to create," Mr Edelman said

Suits filed in the Delaware Court alleging violations of federal securities laws by Sir Walter, Rea Brothers and a number of investment trusts managed by them, have not been withdrawn.

Rea Brothers' lawyers are putting the finishing touches to depositions related to these cases, which will be presented by Mr Edelman's lawyers to the Delaware Court in the next few days.

Mr Edelman added: "If we can gain control of the company without going through the whole court motion, then we would accept that."

Commenting on the rejection on Tuesday of a $70 a share offer to Canal-Randolph stockholders represented by Montagu Investment Trust, Mr Edelman said: "I don't call their response a complete rejection. It seems implicit that they are calling for further talks."

DRG to collect £19.5m for South African arm

BY RAY MAUGHAN

DRG, the UK paper and packaging group, has agreed to sell its interests in Southern Africa to Kohler, a quoted subsidiary of General Mining Union Corporation, for £19.5m ($30m) payable in cash.

Taken together with DRG's current borrowings in Southern Africa, the disposal is expected to cut the group's indebtedness by some £30m. Its borrowings at December last year is not thought to be markedly different from the level of net debt of just over £80m shown at the end of 1981.

Kohler, a major force in the South African packaging industry, is buying assets which produced net profits of £1.5m last year on the first-in-first-out method of stock valuation. On a UK accounting basis, profits would have been lower.

The South African business lost R2.4m in the first half of last year which was cut to R1.7m for the year as a whole. The nine companies in Zimbabwe have shown a healthy level of profitability but remittances to the UK, limited to 50 per cent of the attributable surplus, also attract a 20 per cent withholding tax.

DRG said yesterday that the sale provides a "lot more financial elbow room" for further related U.S. or European acquisitions, although nothing immediate is planned, and brings to a halt the recent disposal programme.

Vantona extends offer

VANTONA, the Manchester textiles group, is extending its £16m bid for Carrington Viyella for a further week to February 9 in an attempt to gain 90 per cent level of acceptances.

Acceptances have been received from the holders of 158m shares or 87 per cent of the equity, N M Rothschild announced yesterday. More than 9,800 shareholders – some 73 per cent of the 13,300 total – have accepted the offer.

Mr David Alliance, Vantona's chief executive, said he was "very relaxed" about the prospects for success.

"We are still receiving acceptances at a good rate," Vantona said. "There is no sign of opposition from anyone except Joe Hyman."

Mr Hyman, who holds nearly 7 per cent of the shares, said yesterday he would have expected Vantona to have gained a higher level of acceptances given the support of major shareholder ICI and of the institutions for the deal.

RESULTS IN BRIEF

■ TR CITY OF LONDON TRUST
Investment trust

Half-year to Dec 31	1982	1981
	£	£
Pre-tax revenue	2.08m	1.79m
Tax	687,000	594,000
Dividend	—	—
NAV per share	131.6p	105.5p

■ WELLMAN
Thermal and mechanical engineering

Half-year to Sept 30	1982	1981
	£	£
Sales	17.19m	19.71m
Pre-tax profit	1.21m*	411,000
Tax	218,000	111,000
Attributable profit	1.43m	300,000
Earnings per share*	10.84p*	2.28p
Dividend	—	1.6p

* Loss

■ WESTMINSTER PROPERTY GROUP
Property development and investment

Year to Sept 30	1982	1981
	£	£
Sales	1.29m	1.3m
Pre-tax profit	249,000	431,000
Tax	64,000	14,000
Attributable profit	193,000	335,000
Earnings per share	0.67p	1.91p
Dividend	0.625p	0.625p

■ BROOKE TOOL ENGINEERING
Manufacture of mining equipment and cutting tools

Year to Sept 30	1982	1981
	£	£
Sales	8.44m	9.19m
Pre-tax profit	353,000	114,500*
Tax	5,500	8,300
Attributable profit	3.59m*	1.01m*
Earnings per share	—	—
Dividend	—	—

* Loss

■ PARKFIELD FOUNDRIES
Manufacture of iron castings

Half-year to Oct 30	1982	1981
	£	£
Sales	1.72m	2.39m
Pre-tax profit	86,000*	15,000
Tax	46,000†	4,000
Attributable profit	44,000*	11,000*
Earnings per share	1.32p*	0.36p
Dividend	—	—

* Loss † Credit

■ GREENFAIR INVESTMENT
Investment trust

Year to Dec 31	1982	1981
	£	£
Sales	353,216	413,530
Pre-tax profit	157,336	178,077
Tax	47,951	60,184
Attributable profit	87,143	118,893
Earnings per share	2.73p	2.97p
Dividend	2.3p	2.3p

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1982							
1st qtr.	100.7	89.3	92	106.6	141.3	2,679	112
2nd qtr.	101.1	88.9	89	106.2	145.4	2,743	107
3rd qtr.	101.5	88.2	84	108.7	151.0	2,837	111
4th qtr.				110.0		2,913	115
March	101.7	89.8	89	106.6	142.3	2,688	111
April	101.3	89.1	97	105.9	146.1	2,715	110
May	101.6	89.5	94	105.9	145.4	2,740	107
June	100.3	88.1	76	106.8	144.8	2,773	105
July	101.4	88.1	82	107.6	152.2	2,814	111
August	101.4	88.1	82	109.2	150.9	2,832	114
September	101.8	88.3	86	109.1	150.1	2,866	107
October	101.4	87.5	87	109.2	158.8	2,885	114
November	100.2	86.8		109.7	171.6	2,906	114
December				111.0		2,947	118

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
1st qtr.	92.4	90.8	121.1	86.3	80.8	74.0	14.7
2nd qtr.	91.9	91.7	122.0	86.6	77.5	72.5	17.5
3rd qtr.	91.7	90.3	122.6	85.7	72.0	71.5	17.7
February	93.0	91.0	121.0	86.0	83.0	75.0	15.3
March	93.0	92.0	122.0	87.0	79.0	73.0	17.5
April	92.0	92.0	123.0	86.0	81.0	74.0	17.1
May	93.0	92.0	123.0	87.0	79.0	74.0	17.7
June	91.0	92.0	121.0	87.0	73.0	70.0	17.6
July	91.0	90.0	123.0	86.0	72.0	71.0	17.3
August	91.0	90.0	122.0	86.0	71.0	70.0	16.5
September	92.0	90.0	123.0	86.0	73.0	74.0	19.8
October	93.0	88.0	123.0	85.0	71.0	73.0	15.0
November	91.0	88.0	121.0	84.0	68.0	70.0	18.2

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1982							
1st qtr.	125.0	122.5	+323	+733	+707	101.5	18.97
2nd qtr.	130.4	129.1	+125	+887	+891	101.7	17.70
3rd qtr.	124.3	125.1	+401	+1,005	+1,264	100.9	18.30
4th qtr.	131.6	123.5	+1,321	+2,011	+1,690	99.0	16.85
February	124.0	120.2	+177	+313	+289	101.2	23.37
March	132.2	124.5	+260	+397	+231	101.7	18.97
April	133.4	128.5	+224	+479	+418	101.8	18.16
May	131.7	134.0	−115	+145	+311	101.4	17.82
June	126.1	124.8	+ 9	+263	+162	101.9	17.70
July	125.4	123.6	+178	+379	+410	101.2	17.94
August	117.2	123.9	− 34	+168	+479	101.5	18.11
September	130.2	127.8	+257	+458	+375	100.0	18.30
October	127.4	124.9	+259	+489	+496	98.7	18.50
November	133.1	125.0	+470	+700	+506	98.4	18.00
December	134.3	120.7	+592	+822	+688	99.9	17.00
1983							
January							16.85

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1982							
1st qtr.				+3,194	967	2,157	
2nd qtr.	2.1	8.2	26.2	+4,635	1,344	2,188	
3rd qtr.	15.2	12.6	28.3	+4,842	1,796	2,399	
4th qtr.	19.0	13.3	26.9	+5,015	2,139		
March	3.7	7.2	24.5	+1,206	264	794	
April	− 3.3	4.8	26.1	+1,648	437	728	
May	− 0.5	9.5	26.8	+1,684	478	710	
June	10.7	10.2	25.8	+1,240	429	750	
July	14.2	11.3	29.4	+1,369	691	698	
August	17.5	12.3	26.6	+2,034	437	856	
September	14.2	14.0	28.8	+1,439	668	845	
October	24.0	18.2	32.4	+2,870	886	802	
November	17.4	12.2	25.4	+1,158	763	862	
December	15.9	9.8	23.2	+ 987	490		

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
1st qtr.	216.6	238.2	234.3	311.6	297.7	242.40	91.1
2nd qtr.	222.7	240.0	238.2	321.5	304.1	233.46	90.3
3rd qtr.	227.8	244.9	242.0	323.0	297.0	228.88	91.4
4th qtr.		250.8	246.8	325.4	298.5	238.84	89.2
March	219.7	235.7	235.5	313.4	299.8	242.40	90.8
April	219.6	239.2	237.0	319.7	302.6	246.84	90.0
May	222.5	237.7	238.3	322.0	305.6	237.39	89.9
June	226.0	243.2	239.2	322.9	304.1	233.46	91.1
July	230.3	245.0	241.0	323.0	299.5	229.51	91.2
August	226.9	244.1	241.7	323.1	295.5	229.60	91.4
September	226.2	245.6	243.2	322.9	295.9	228.56	91.7
October	228.0	246.1	245.1	324.5	298.5	227.18	92.5
November	232.0	251.8	246.4	326.1	298.8	228.03	89.5
December		254.5	248.8	325.5	300.1	238.84	85.6
1983							
January						255.45	81.9

* Not seasonally adjusted.

UK COMPANY NEWS

THE COLLAPSE OF A NORWEGIAN SHIPPER IS DRAINING HAMBROS BANK'S RESERVES

Haunted by Reksten's ghost

BY ALAN FRIEDMAN

THE GHOST of Hambros Bank's unhappy Norwegian Reksten shipping affair, now a decade old, continues to haunt this accepting house.

Hambros' accounts for the year to March 31, 1982, showed an after-tax shipping loss provision of £15.9m, covered by a transfer from the bank's hidden reserves. In the year which ends this March, the pre-tax shipping provision is likely to be around £12m.

This, says Hambros, is the end of the Reksten saga. But clearing up exercises now involve the raising of £30m through the placement of 13.8m shares of Hambro Life, bringing the bank's stake down by around 10 per cent to 25.4 per cent.

Mr John Clay, Hambros deputy chairman, says quite openly that "the real capital in the bank has been shrinking rather than expanding." He explains the sizeable disposal of Hambro Life shares as being a consequence of further shipping provisions and the desire to bolster the bank's capital base.

This base stood at £72m in the bank's last published accounts. But additional hidden reserves could make the real total significantly higher. Of the £39m cash proceeds realised by the Hambro Life disposal, the bank expects to allocate between £5m and £10m to pay off short-term group borrowings.

Much of the balance, will then go into hidden reserves, presumably to help deal with the 1982-83 shipping provision. Total shipping provisions are believed to be between £60m and £70m after-tax, demonstrating graphically the potential cost of one big problem.

The £39m Hambro Life disposal, the last one contemplated for the forseeable future according to Mr Clay, follows other asset disposals by the bank in recent years which total more than £25m. These include a £13m sale of convertible preference stock in Town and City properties, a £8m sale of Mills & Allen advertising shares and a £3.5m disposal of Hambro Life shares owned by Hellenic & General.

So where is Hambros Bank headed? It still has interests in diamond trading, advertising and other associated companies, but Mr Rupert Hambro, a joint deputy chairman with Mr Clay, says the core activity must be banking.

Mr Hambro says the £39m Hambro Life disposal will help the bank to "set our sail fair to the future." He says the bank's future lies in specialty areas, such as Scandinavian currencies, fee earning deals and "UK entrepreneurial" activities (placings and direct holdings in UK companies), rather than in "straight banking" (taking deposits and lending).

The extra cash derived from the £39m share placement will come in handy for the bank's capital base. "People don't come in unless we've got a proper bank. If the bank is weak, the rest (of Hambros' activities) won't work," he explains.

With this strengthening of the bank's base in mind, Hembros is believed to have raised more than $20m of fixed-rate long-term dollar capital last December through the Prudential Insurance Company of America, the big brother which owns 9.4 per cent of the bank.

The bank also needs to strengthen its international banking department after seven senior executives defected last June to Scandinaviska Enskilda Banken (SEB). Everything is under control, says Mr Hambro – a view not necessarily shared by some City stockbrokers.

As one follower of Hambros Bank put it: "My assessment is they are replacing high quality Hambros Life assets with less certain banking profits."

Prestel aims to halt loss

BY RAYMOND SNODDY

PRESTEL, British Telecom's loss-making public viewdata service, has set itself the target of breaking even in the 1984-85 financial year.

Already between £40m and £50m has been invested in the development of a system which could be seen on 22,403 television sets by the end of January.

In contrast to early expectations of attracting a large residential market, 85 per cent of the users have turned out to be businessmen.

The unrealistic early expectations have meant that £20m has had to be cut from costs in the past two financial years. That has included redundancy for 150 staff and 14 out of the 20 Prestel computers.

British Telecom is now hopeful that the consumer interest in new technology, expressed through soaring purchases of personal computers and videorecorders, will make it possible to have another try at tackling the residential market. This time it will be aimed at specific users – in particular the 600,000 estimated owners of personal computers.

LONDON RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
§106	F.P.	13/1	200	140	✤Baltic Leasing 5p	200	......	b2.8	3.5	2.0	15.8
‖ ‖	F.P.	—	16	12	✤Booth (Charles) 5p	16	......	—	—	—	—
§100	F.P.	22/4	105	100	Br. Kidney Pat. As.	105	......	—	—	—	—
¶215	100p	22/4	84	45	Britoil 10p	45	−2	b9.9	1.8	8.8	8.9
§74	F.P.	21/1	158	106	✤Canvermoor	147	......	b3.64	2.0	3.5	18.7
56	F.P.	7/1	133	98	✤GarfunkelsRest. 10p	114	......	b1.86	3.2	2.3	14.9
§17	F.P.	21/1	35	24	✤Inn Leisure 5p	33	......	ud.42	5.7	1.8	18.5
§130	F.P.	14/1	190	155	✤Memory Comp Ir10p	190	+5	bQ28.8%	5.5	1.2	28.7
§190	F.P.	4/3	368	330	✤Microgen	355	......	b4.0	2.9	1.5	33.3
§155	F.P.	7/1	255	200	✤Munford & White	225	......	b2.6	2.4	1.6	35.6
‖	F.P.	—	177	149	✤NMW Computers	158	......	g3.0	2.8	2.7	18.7
§93	F.P.	4/2	198	145	✤Resotros Tech. 10p	180	−5	—	—	—	34.6
§52½	F.P.	21/12	150	132	✤StatersFoodPrds 10p	143	......	b2.0	3.6	2.0	15.1
120	F.P.	—	125	105	✤Swindon Priv Hos £1	105	......	—	—	—	—
§101½	F.P.	—	75	16	✤Tops Estates 10p	75	+3	—	—	—	—
§150	F.P.	18/2	340	265	✤WightCollinsR-S 10p	280	−5	bd2.75	3.3	1.4	31.2
—	F.P.	3/3	25	25	Yorks & Lancs. W'rrnts	25	−2	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
¶¶	F.P.	—	90	89	Anglo-Nordic 10% Cnv. Uns. Ln. 1989	89	......
97.504	£25	4/3	29½	15¾	BOC 12¼% Uns. Ln. 2012-17	16¼	+¼
99.451	£20	10/4	21⅛	12	Birmingham 11½% Red. 2012	12¼	+¼
¶	£10	24/3	11¼	11	East Surrey Water 7% Red. Pref. 1988	11	......
¶¶	F.P.	—	130	86	European Inv. Bk. 11% Ln. 2002	87	+¼
—	—	—	99	99	Nationwide Bdg. Soc. 11⅞% Bds. 25/1/84	99	......
§97.174	£25	6/5	24¼	22	Pearson (S) 13% Uns. Ln. 2007	22¾	+¼
96.55	£25	8/7	25⅛	23½	Sweden 13½% Ln. Stk. 2010	24	+¼
¶¶	F.P.	18/2	90	85	Transcont. 9% Cnv.Ret.Uns.Ln.Nts.1995	88	......

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
26	F.P.	28/1	18/2	282	94	Arlen Elec.	282	+38
90	F.P.	28/1	18/2	118	108	Bellway	118	+2
50	Nil	8/2	9/3	5pm	½pm	Cluff Oil 'B'	½pm	−1
90	Nil	—	—	54pm	50pm	Grosvenor Group	50pm	−4
60	F.P.	14/1	11/2	76	65	ICL	76	......
45	Nil	14/2	11/3	10pm	5pm	LCP	10pm	......
27	Nil	—	—	5½pm	5pm	Mount Charlotte 10p	5pm	......
93	Nil	7/2	21/3	24pm	13pm	NSS News 10p	16pm	−2
58	F.P.	3/2	29/4	65	61	Stakis 10p	65	......
470	F.P.	11/1	11/2	595	523	Wolseley-Hughes	585	+5

Renunciation date usually last day for dealing free of stamp duty. Fr French France. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✤ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. ◆ Merger bid or reorganisation in progress. M Dividend and yield based on prospectus or other official estimates for 1983-84.

MINING: EDITED BY KENNETH MARSTON

Gold mining hopes rise in Upper Volta

BY GEORGE MILLING-STANLEY

UPPER VOLTA, one of the poorest countries in the world, plans to turn to gold production in an attempt to reduce the country's dependence on agriculture.

The biggest project, the re-opening of the old Poura gold mine about 100 miles south-west of the West African country's capital Ouagadougou, has been under way for about two years.

In the latest development, the government announced plans to open three further gold mines in the northern part of the country.

The Poura mine is expected to re-open early next year at an estimated cost of U.S.$100m (£66m). The mine was in production between 1959 and 1966, but was forced to close after poor management and the depressed gold price had caused heavy losses.

Mr Pierre Adama Traore, deputy director-general of Upper Volta's Geology and Mines Office, said that the richness of Poura's ore, which grades an average of 15 grammes of gold per tonne, means relatively low infrastructure and transport costs because only small quantities have to be mined.

Reserves are put at 23m tonnes of ore, and annual output should be about 2.5m tonnes a year. The discovery of other gold deposits on adjacent ground could prolong the mine's life by several years.

The project is managed by the state-controlled Société de Recherche et d'Exploitation Minière (Soremi). France's Compagnie Française des Mines (Coframines) is providing technical assistance, and has a 20 per cent stake in Soremi.

Stronger price lifts silver producers

BY JOHN SOGANICH IN TORONTO

THE IMPACT on company results of the renewed strength in the world silver price is shown clearly by the latest report from Canada's Equity Silver Mines.

The higher price, coupled with an increase in sales volumes, more than offset the losses suffered during the first nine months, and enabled the British Columbia silver producer to report a profit for the full year.

Net profits for 1982 came out at C$6.1m (£3.2m) or 73 cents a share, against C$4.3m or 52 cents a share in 1981.

Placer Development, owned one-third by Canada's leading natural resources group Noranda Mines, holds 70 per cent of Equity Silver Mines.

Another key Placer subsidiary, the 72 per cent-owned Gibraltar Mines, was less fortunate, with a net loss of C$5.9m.

Gibraltar, also based in British Columbia, suffered from lower prices for copper and molybdenum. Copper prices averaged 67 U.S. cents a pound, well below economic levels, and mining operations had to be suspended last year.

Union ban keeps new Drayton coal mine idle

THE new A$180m (£113.7m) Drayton open-cut coal mine in the Hunter Valley of New South Wales belonging to Australia's CSR has still not started production as a result of a recruitment ban by Australian mining unions, who fear that Drayton could affect the job security of men employed in the underground collieries in the region. The ban was imposed last year and the mine has thus been unable to make its first deliveries which were due in October. CSR also reports that design capacity at the treatment plant at its Paringa gold mine in Western Australia has been expanded to 180,000 tonnes a year.

● A contract between the Continental Lime subsidiary of Steel Brothers Holdings and Anaconda Copper for the supply of lime to Anaconda in Montana has been terminated at the request of Anaconda on payment of U.S.$12m (£7.88m) liquidated damages. The new lime plant was completed in September last year and most of its output was intended for the Anaconda supply contract.

NOTICE OF REDEMPTION

7½% Guaranteed Sinking Fund Debentures due March 1, 1984

Occidental Overseas Capital Corporation

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of March 1, 1969 between Occidental Overseas Capital Corporation, Occidental Petroleum Corporation, Guarantor, and The Chase Manhattan Bank (National Association), Fiscal Agent $2,286,000 in aggregate principal amount of the above-captioned Debentures will be redeemed for the sinking fund on March 1, 1983 at the redemption price of 100% of the principal amount thereof, together with accrued interest to March 1, 1983.

The numbers of the Debentures to be redeemed are as follows:

M 3	1140	2365	4135	5442	6777	8591	9808	11106	12138	13169	14181	15758	16146	16450	16868	17276	17742	18065	18600	19116
5	1141	2368	4147	5449	6779	8592	9831	11110	12141	13181	14183	15759	16150	16462	16870	17278	17744	18069	18603	19120
12	1142	2385	4150	5452	6784	8593	9839	11117	12144	13184	14207	15760	16153	16463	16873	17281	17745	18094	18605	19124
14	1154	2387	4151	5485	6785	8614	9842	11124	12151	13190	14209	15764	16154	16465	16875	17283	17749	18097	18609	19127
16	1155	2390	4161	5487	6786	8629	9843	11140	12153	13196	14214	15767	16156	16467	16879	17286	17769	18101	18612	19131
17	1170	2392	4167	5494	6830	8664	9851	11145	12158	13199	14217	15769	16161	16470	16882	17288	17772	18104	18616	19142
18	1171	2404	4178	5499	6831	8666	9856	11146	12165	13200	14220	15774	16162	16472	16884	17295	17775	18107	18619	19152
22	1187	2408	4183	5503	6833	8668	9948	11152	12171	13207	14223	15783	16167	16474	16887	17298	17781	18110	18622	19155
23	1259	2413	4187	5507	6864	8671	9951	11172	12172	13210	14239	15790	16168	16477	16890	17301	17782	18114	18630	19160
29	1260	2429	4224	5514	6948	8672	9957	11181	12199	13214	14245	15801	16172	16479	16892	17303	17785	18121	18637	19187
30	1270	2432	4225	5517	6951	8673	9958	11205	12201	13216	14248	15803	16174	16481	16895	17306	17787	18125	18641	19194
31	1271	2445	4257	5518	6952	8674	9970	11214	12204	13222	14251	15808	16175	16488	16900	17308	17788	18128	18644	19202
37	1272	2446	4373	5521	6957	8675	9991	11220	12214	13226	14255	15811	16178	16489	16901	17310	17793	18132	18647	19216
39	1281	2498	4377	5526	6958	8701	10014	11227	12216	13229	14258	15814	16179	16495	16903	17313	17795	18135	18651	19239
43	1282	2521	4378	5530	6961	8707	10037	11239	12219	13231	14267	15815	16183	16498	16905	17315	17797	18140	18657	19247
72	1286	2536	4389	5536	6966	8766	10038	11245	12221	13253	14270	15821	16186	16499	16909	17321	17799	18143	18660	19254
98	1289	2552	4401	5540	6967	8767	10040	11267	12226	13255	14307	15822	16189	16501	16911	17322	17801	18150	18664	19260
99	1314	2578	4406	5549	7042	8769	10042	11277	12229	13262	14315	15839	16190	16504	16913	17325	17812	18153	18667	19265
154	1324	2581	4408	5552	7043	8770	10079	11311	12232	13270	14320	15851	16191	16506	16915	17329	17816	18155	18671	19269
155	1363	2657	4414	5555	7044	8892	10088	11317	12237	13317	14326	15855	16200	16508	16918	17331	17818	18159	18674	19277
156	1370	2659	4417	5558	7045	8904	10090	11319	12251	13328	14329	15858	16201	16512	16921	17333	17821	18163	18678	19288
180	1378	2661	4421	5562	7107	8905	10120	11323	12331	13381	14409	15862	16203	16514	16924	17335	17823	18165	18681	19301
181	1391	2663	4423	5565	7108	8906	10123	11328	12333	13384	14415	15863	16208	16516	16927	17337	17825	18167	18686	19306
182	1410	2665	4426	5569	7133	8971	10183	11334	12338	13390	14418	15884	16210	16520	16929	17340	17827	18174	18689	19317
213	1417	2667	4464	5572	7134	9013	10189	11339	12365	13400	14465	15887	16212	16522	16934	17343	17831	18176	18692	19324
215	1437	2669	4475	5582	7135	9022	10277	11347	12367	13402	14468	15894	16215	16524	16936	17346	17833	18179	18696	19332
224	1441	2674	4476	5584	7136	9027	10280	11348	12400	13405	14503	15896	16217	16529	16937	17348	17838	18182	18703	19337
276	1529	2678	4487	5589	7189	9028	10303	11364	12404	13444	14506	15899	16219	16530	16942	17350	17839	18186	18710	19346
277	1541	2681	4491	5598	7191	9038	10306	11369	12424	13451	14549	15900	16225	16532	16969	17352	17841	18189	18714	19353
279	1566	2702	4493	5604	7265	9041	10307	11384	12427	13464	14751	15902	16226	16534	16974	17356	17844	18192	18717	19362
282	1572	2725	4515	5611	7268	9051	10351	11386	12430	13521	14758	15907	16227	16536	16976	17357	17846	18195	18721	19365
291	1585	2737	4529	5613	7269	9054	10353	11391	12436	13552	14761	15912	16229	16541	16980	17360	17849	18198	18724	19369
292	1593	2745	4534	5617	7270	9058	10361	11413	12439	13555	14765	15915	16231	16542	16984	17363	17851	18201	18728	19371
305	1597	2778	4537	5621	7336	9075	10363	11418	12442	13558	14769	15917	16233	16544	16987	17366	17853	18203	18732	19376
378	1603	2783	4544	5624	7339	9081	10366	11419	12443	13559	14777	15923	16235	16546	16990	17368	17854	18243	18733	19386
403	1670	2789	4558	5628	7340	9085	10369	11425	12447	13561	14779	15927	16237	16548	16993	17395	17856	18246	18735	19408
406	1676	2795	4561	5630	7350	9086	10370	11440	12449	13574	14814	15929	16240	16600	16996	17398	17859	18252	18739	19454
460	1683	2808	4569	5634	7351	9090	10379	11443	12455	13579	14819	15933	16241	16601	17000	17400	17861	18254	18742	19460
462	1736	2814	4591	5641	7352	9094	10385	11466	12461	13586	14824	15934	16245	16603	17002	17403	17863	18257	18745	19466
470	1742	2815	4595	5645	7409	9096	10386	11468	12595	13618	14828	15938	16248	16605	17004	17405	17867	18267	18748	19470
471	1747	2816	4598	5647	7411	9098	10414	11469	12596	13621	14832	15941	16250	16611	17007	17407	17868	18277	18752	19477
472	1754	2822	4602	5651	7439	9104	10419	11481	12599	13627	14838	15944	16253	16615	17010	17409	17874	18278	18758	19484
473	1763	2841	4603	5655	7449	9107	10421	11487	12615	13631	14846	15947	16254	16617	17014	17443	17876	18285	18761	19492
483	1764	2847	4610	5658	7450	9124	10424	11490	12617	13633	14849	15950	16256	16619	17017	17445	17877	18291	18764	19500
486	1766	2859	4613	5666	7452	9129	10431	11491	12622	13642	14854	15954	16258	16622	17020	17447	17880	18295	18767	19504
506	1768	2864	4639	5672	7453	9140	10439	11526	12625	13648	14856	15955	16261	16624	17023	17449	17882	18299	18771	19510
518	1803	2870	4649	5677	7455	9147	10441	11549	12629	13651	14859	15967	16264	16628	17027	17455	17886	18306	18775	19514
520	1807	2876	4664	5682	7465	9205	10468	11550	12634	13656	14862	15968	16266	16629	17030	17457	17895	18310	18778	19516
541	1811	2891	4669	5688	7466	9209	10471	11554	12648	13657	14865	15970	16267	16631	17032	17459	17897	18313	18781	19527
605	1817	2894	4670	5689	7467	9218	10489	11557	12690	13660	14868	16017	16274	16633	17035	17485	17902	18318	18785	19534
608	1832	2900	4672	5693	7482	9219	10492	11562	12700	13664	14871	16018	16275	16635	17036	17487	17903	18323	18788	19541
616	1848	2902	4675	5698	7485	9222	10493	11565	12701	13667	14874	16020	16276	16637	17038	17491	17909	18327	18792	19552
617	1852	2904	4684	5702	7540	9223	10502	11581	12705	13670	14875	16021	16278	16641	17040	17509	17911	18332	18801	19557
625	1858	2906	4693	5704	7541	9227	10764	11592	12707	13674	14880	16037	16282	16645	17042	17511	17913	18335	18806	19594
637	1863	2932	4696	5710	7542	9247	10767	11593	12710	13678	14884	16040	16285	16648	17044	17513	17915	18339	18809	19604
651	1870	2934	4698	5714	7593	9255	10769	11622	12713	13682	14889	16041	16287	16652	17046	17523	17919	18343	18813	19619
652	1875	2938	4703	5724	7709	9258	10791	11623	12721	13685	14892	16042	16289	16653	17055	17525	17921	18346	18828	19625
653	1879	2941	4708	5728	7711	9262	10792	11638	12725	13690	14896	16043	16292	16654	17059	17527	17923	18350	18831	19630
664	1885	2947	4713	5730	7714	9267	10794	11644	12726	13692	14897	16044	16294	16655	17062	17531	17925	18353	18834	19637
701	1891	2955	4715	5735	7722	9272	10796	11647	12733	13693	15079	16047	16295	16679	17065	17534	17926	18358	18839	19640
702	1896	2958	4750	5740	7724	9273	10798	11649	12736	13698	15089	16048	16297	16680	17067	17536	17927	18361	18840	19658
704	1900	2962	4756	5743	7726	9277	10800	11655	12741	13700	15091	16049	16299	16682	17070	17540	17929	18364	18843	19660
726	1906	2966	4804	5745	7749	9325	10803	11657	12742	13704	15120	16050	16301	16685	17073	17543	17930	18368	18846	19665
727	1927	2971	4806	5757	7750	9432	10807	11685	12749	13780	15124	16051	16302	16688	17075	17550	17932	18371	18885	19670
731	1939	2973	4932	5761	7751	9433	10809	11721	12753	13783	15131	16053	16311	16692	17077	17553	17933	18376	18888	19674
734	1945	2976	4946	5771	7752	9443	10810	11749	12755	13796	15191	16055	16314	16694	17080	17556	17937	18381	18891	19677
738	1955	3022	4957	5772	7762	9446	10811	11750	12758	13808	15243	16056	16319	16696	17083	17560	17938	18384	18895	19682
746	1964	3027	4988	5775	7792	9447	10816	11834	12760	13849	15247	16057	16321	16698	17087	17563	17940	18390	18900	19686
768	1972	3032	4992	5778	7793	9450	10819	11837	12765	13852	15250	16058	16323	16700	17090	17568	17942	18393	18908	19693
772	1995	3037	5004	5781	7794	9454	10823	11839	12787	13856	15256	16059	16327	16702	17134	17571	17943	18397	18911	19702
780	2001	3043	5007	5806	7847	9457	10825	11840	12790	13870	15258	16060	16329	16704	17136	17573	17945	18400	18915	19705
785	2006	3046	5014	5808	7848	9461	10830	11849	12793	13880	15276	16061	16331	16708	17140	17576	17947	18403	18918	19708
806	2023	3090	5036	5816	7853	9462	10831	11853	12794	13884	15279	16064	16335	16711	17143	17578	17948	18407	18934	19716
809	2027	3109	5038	5854	7854	9466	10833	11868	12800	13889	15292	16067	16341	16713	17146	17580	17950	18411	18937	19721
818	2044	3115	5040	5856	7855	9470	10836	11871	12811	13893	15380	16070	16343	16744	17150	17582	17953	18414	18940	19724
819	2047	3126	5048	5859	7857	9481	10840	11874	12815	13895	15393	16071	16344	16747	17151	17584	17955	18418	18943	19728
828	2053	3152	5066	5891	8086	9482	10859	11875	12816	13899	15401	16072	16345	16750	17156	17586	17962	18420	18952	19733
830	2057	3182	5103	5914	8087	9496	10862	11879	12819	13901	15428	16074	16350	16753	17158	17589	17964	18424	18955	19737
833	2061	3191	5106	5965	8088	9498	10866	11887	12844	13905	15440	16081	16353	16756	17162	17592	17970	18427	18959	19747
840	2065	3197	5109	6113	8089	9504	10867	11889	12846	13907	15442	16082	16357	16757	17165	17596	17973	18432	18962	19751
844	2069	3225	5112	6115	8202	9510	10869	11890	12927	13908	15445	16084	16358	16760	17167	17603	17976	18438	18964	19757
853	2072	3229	5116	6117	8203	9513	10872	11891	12928	13998	15446	16085	16361	16761	17169	17605	17980	18453	18968	19762
858	2074	3232	5118	6118	8221	9525	10875	11902	12931	14002	15479	16086	16364	16763	17174	17607	17983	18459	18970	19770
869	2078	3234	5121	6163	8222	9528	10880	11913	12933	14010	15502	16087	16366	16764	17176	17620	17987	18463	18973	19777
877	2084	3237	5128	6165	8223	9530	10883	11919	12936	14016	15525	16090	16367	16766	17178	17623	17990	18466	18975	19779
879	2088	3255	5131	6166	8319	9540	10884	11925	12937	14020	15527	16094	16369	16769	17181	17654	17993	18470	18978	19785
885	2095	3342	5133	6167	8359	9583	10887	11930	12964	14032	15531	16095	16371	16783	17185	17658	17994	18473	18980	19789
888	2101	3372	5146	6171	8360	9587	10889	11932	13000	14061	15533	16096	16377	16785	17187	17662	17996	18477	18983	19794
890	2104	3380	5150	6172	8361	9589	10891	11951	13002	14063	15538	16100	16378	16787	17192	17666	17999	18480	18987	19798
893	2117	3413	5154	6173	8363	9590	10895	11963	13003	14066	15546	16101	16383	16792	17195	17670	18002	18486	19001	19809
895	2120	3430	5157	6174	8367	9598	10901	11966	13008	14070	15566	16106	16387	16805	17197	17672	18008	18490	19010	19820
900	2125	3431	5160	6358	8368	9606	10907	11967	13012	14073	15570	16107	16388	16809	17199	17684	18010	18494	19015	19828
908	2141	3702	5201	6359	8376	9614	10918	11973	13016	14076	15603	16109	16391	16811	17215	17687	18013	18496	19019	19831
909	2147	3739	5212	6360	8378	9616	10925	11975	13052	14081	15605	16111	16398	16814	17218	17690	18021	18507	19021	19833
916	2151	3744	5228	6418	8379	9643	10926	11976	13054	14085	15608	16113	16399	16817	17219	17692	18023	18535	19025	19835
972	2154	3748	5235	6419	8381	9647	10930	12007	13072	14089	15634	16114	16402	16821	17221	17694	18026	18544	19032	19837
975	2159	3784	5239	6420	8382	9650	10934	12018	13075	14094	15636	16119	16404	16823	17226	17699	18028	18549	19036	19843
1002	2185	3790	5250	6421	8388	9651	10937	12019	13079	14098	15639	16122	16412	16826	17227	17703	18031	18552	19038	19853
1038	2189	3882	5253	6422	8389	9689	10952	12031	13088	14122	15663	16123	16420	16839	17233	17706	18035	18555	19040	19858
1039	2191	3908	5399	6424	8391	9692	10954	12041	13100	14125	15710	16124	16422	16840	17254	17713	18045	18559	19051	19865
1040	2193	3936	5405	6425	8393	9695	10957	12075	13112	14136	15713	16127	16424	16842	17256	17717	18046	18564	19056	19871
1041	2195	3955	5409	6427	8394	9700	10966	12076	13114	14138	15724	16128	16426	16844	17260	17721	18051	18567	19060	19873
1049	2200	3962	5413	6440	8458	9704	11002	12079	13116	14145	15727	16130	16428	16848	17262	17730	18056	18571	19071	19875
1084	2220	3993	5418	6442	8459	9710	11033	12111	13120	14149	15730	16134	16429	16850	17264	17732	18059	18576	19075	19970
1085	2259	4003	5421	6448	8460	9722	11039	12119	13124	14152	15734	16135	16435	16852	17266	17733	18063	18580	19079	19975
1088	2271	4037	5422	6719	8464	9723	11048	12123	13128	14164	15735	16136	16440	16857	17268	17735	18072	18583	19084	19981
1098	2274	4089	5427	6724	8465	9788	11053	12124	13147	14171	15742	16138	16443	16863	17270	17737	18076	18589	19103	
1128	2340	4095	5432	6727	8466	9793	11067	12128	13160	14174	15752	16144	16445	16865	17271	17738	18079	18592	19107	
1129	2348	4132	5436	6733	8589	9797	11068	12135	13165	14177	15757	16145	16448	16867	17274	17740	18082	18595	19112	

On March 1, 1983, there will become due and payable on the Debentures to be redeemed the principal amount thereof together with accrued interest to March 1, 1983. On and after March 1, 1983, interest on the Debentures to be redeemed shall cease to accrue.

Payment of Debentures to be redeemed will be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment therein of public and private debts. Payment of Debentures redeemed at the hereinafter listed offices of Paying Agents outside of the United States of America shall be by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City.

Payment of Debentures to be redeemed will be made on or after March 1, 1983 upon presentation and surrender of said Debentures, with all coupons appertaining thereto maturing after March 1, 1983, at any of the following Paying Agents:

The Chase Manhattan Bank, N.A.
Corporate Bond Redemptions
P.O. Box 2020
One New York Plaza—14th Floor
New York, New York 10081

The Chase Manhattan Bank, N.A.
Woolgate House, Coleman Street
London, E.C. 2P 2HD, England

Hambros Bank Limited
41 Bishopsgate
London EC 2P 2AA England

Banque Internationale a Luxembourg S.A.
2 Boulevard Royal, P.O. Box 2205
Luxembourg, Luxembourg

Banca Commerciale Italiana S.p.A.
Sede di Milano
6 Piazza della Scala
Milan, Italy

The Chase Manhattan Bank, N.A.
41 Rue Cambon 75
Paris, France

Banque de Paris et des Pays-Bas
3 Rue d'Antin
Paris, France

Nederlandsche Credietbank N.V.
Herengracht 458 1017 CA
P.O. Box 941
Amsterdam, Netherlands

Banque Bruxelles Lambert S.A.
2 Rue de la Regence
Brussels, Belgium

Commerzbank Aktiengesellschaft
Breit Strasse 25
Dusseldorf, Germany

The Chase Manhattan Bank, N.A.
Taunus Anlage 11
Frankfurt/Main, Germany

Dresdner Bank Aktiengesellschaft
7 Gallus Anlage
Frankfurt/Main, Germany

N.M. Rothschild & Sons
New Court
St. Swithin's Lane
London EC 4P 4DU, England

Coupons which shall mature on, or shall have matured prior to, said redemption date should be detached and surrendered for payment in the usual manner.

OCCIDENTAL OVERSEAS CAPITAL CORPORATION
By: THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), Fiscal Agent

Dated: January 28, 1983

Notice of Issue

Abridged Particulars

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

MID-SUSSEX WATER COMPANY

(incorporated in 1898 by Act of Parliament)

Authorized Share and Loan Capital £30,000,000

OFFER FOR SALE BY TENDER OF £3,250,000

7 per cent REDEEMABLE PREFERENCE STOCK, 1988/90

(which will mature for redemption at par on 31st March 1990 or, at the option of the Company, in whole at any time on or after 31st March, 1988 on the Company giving three months' notice in writing to holders of the Stock)

Minimum Price of Issue £100 per £100 Stock

yielding at that price, together with the associated tax credit at the current rate, £10 per cent., or to redemption on 31st March 1990 (assuming continuance of that rate) £10 per cent.

LAST DAY FOR RECEIPT OF TENDERS
Wednesday, 9th February, 1983

(not later than 11 a.m. at Close Registrars Limited, 36 Great St. Helen's, London EC3A 6AP)

together with a deposit of 10 per cent. of the nominal amount of Stock tendered for. The balance of the purchase money is to be paid on or before 28th February, 1983.

AN AUTHORIZED INVESTMENT FOR TRUSTEES IN THE NARROWER RANGE

A Form of Tender is embodied in the Prospectus, on the terms of which alone tenders will be considered and copies may be obtained from the offices of the Company, 1 Church Road, Haywards Heath, Sussex; also from the Registrars, Close Registrars Limited

and from

DENNIS MURPHY, CAMPBELL & COMPANY

78 Queen Victoria Street, London, EC4N 4SU.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCES

[illegible]

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series			Mar. Vol.	Mar. Last	Jun. Vol.	Jun. Last	Sept. Vol.	Sept. Last	Stock
D FL	C	F.265	28	9.30 B	—	—	—	—	F.272.85
D FL	C	F.270	5	5.50 B	—	—	—	—	"
D FL	C	F.275	3	2.60 B	—	—	—	—	"
D FL	C	F.280	84	1.30	10	3.80	—	—	"
D FL	P	F.260	8	2	4	6.20	—	—	"
D FL	P	F.265	193	4	12	7.50	—	—	"
D FL	P	F.270	12	6.20	2	10	—	—	"
D FL	P	F.275	—	—	5	12.30	—	—	"
			Feb.		May		Aug.		
GOLD	C	$300	25	200 B	—	—	—	—	$498.50
GOLD	C	$325	50	176	—	—	—	—	"
GOLD	C	$350	25	150 B	—	—	—	—	"
GOLD	C	$400	3	104	—	—	—	—	"
GOLD	C	$425	2	75 B	—	—	—	—	"
GOLD	C	$450	27	52	24	68	—	—	"
GOLD	C	$475	5	26	17	56	4	77	"
GOLD	C	$500	49	14	83	44	25	62	"
GOLD	C	$550	139	2.50	122	22 B	—	—	"
GOLD	P	$400	-		27	22.50	2	5	"
GOLD	P	$425	—	—	—	—	2	9.50	"
GOLD	P	$450	—	-	4	8	15	15.50	"
GOLD	P	$475	20	4.50	24	19	—	—	"
GOLD	P	$500	9	12 B	136	28	—	—	"
12¼ NL 81 87-91									
	C	F.127.50	—	—	11	4 A	—	—	F.131.20
	C	F.130	255	1.80	—	—	—	—	"
	C	F.135	800	0.50	1090	1.80	55	3	"
	P	F.127.50	—	—	108	1.60	—	—	"
	P	F.130	235	0.90	—	—	17	4	"
	P	F.135	407	4.70	—	—	—	—	"
10¼ NL 80 86-95									
	C	F.112.50	30	1	—	—	—	—	F.113.40
11¼ NL 82 83-92									
	C	F.100	—	—	—	—	29	6	F.115.40
	C	F.112.50	—	--	—	—	12	4.90	"
	C	F.117.50	—	—	345	1.50 A	—	—	"
	P	F.115	62	0.90	—	—	—	—	"
	P	F.117.50	100	2.80	—	—	—	—	"
10 NL 82-11 86-89									
	C	F.102.50	20	8.50	—	—	—	—	F.110.70
	C	F.112.50	—	—	20	0.70	20	1.70	"
	P	F.105	—	—	1000	0.70	—	—	"
7¾ NL 82 89-93									
	C	F.100	—	—	10	1.80	—	—	F.100
	C	F.102.50	—	—	51	0.80	—	—	"
	P	F.100	—	—	10	1.80	—	—	"
7½ NL 83 87-90									
	C	F.100	—	—	39	1.20	—	—	F.99.30
	P	F.100	—	—	25	1.70	—	—	"
			April		July		Oct.		
ABN	C	F.300	31	8	—	—	—	—	F.297
AKZO	C	F.30	25	10	—	—	—	—	F.39.60
AKZO	C	F.32.50	37	7.30	—	—	—	—	"
AKZO	C	F.35	106	5	—	—	—	—	"
AKZO	C	F.40	226	2.60	90	3.50	—	—	"
AKZO	P	F.32.50	50	0.80 A	--	—	—	—	"
AKZO	P	F.40	73	2.70	—	—	—	—	"
AMRO	C	F.50	—	—	118	1.20	—	—	F.48.90
HOOG	P	F.15	50	0.60	—	—	—	—	F.16.40
KLM	C	F.130	30	25	—	—	—	—	F.150.60
KLM	C	F.140	44	18	70	24	—	—	"
KLM	C	F.150	154	13.80	—	—	—	—	"
KLM	C	F.160	111	8.70	—	—	—	—	"
KLM	P	F.100	41	1.10	—	—	—	—	"
KLM	P	F.110	28	1.70	—	—	—	—	"
KLM	P	F.120	118	3.20	—	—	—	—	"
KLM	P	F.130	45	5.30	27	14	—	—	"
KLM	P	F.140	31	8	—	—	—	—	"
KLM	P	F.150	54	12.50	49	3.60	—	—	"
NEDL	P	F.100	66	11	—	—	—	—	F90"
PHIL	C	F.27.50	137	5.40	28	5.40	2	5.80	F.32.80
PHIL	C	F.30	989	3.20	210	3.30	226	4.30	"
PHIL	C	F.32.50	310	1.80	87	2.10	290	2.50	"
PHIL	P	F.27.50	5	0.30	34	0.90	—	—	"
PHIL	P	F.32.50	37	6.20	34	2.70	—	—	"
RD	C	F.80	115	9	—	—	—	—	F.92.20
RD	C	F.90	149	6.20	15	8	18	2.50	"
RD	C	F.100	271	2	52	3.20 B	—	-	"
RD	P	F.80	34	0.70	45	1.80	—	—	"
RD	P	F.90	152	2.60	39	4.80	39	5.30	"

TOTAL VOLUME IN CONTRACTS 11,569
A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP 308)	260	56	—	—	3	—	—
" "	280	38	—	—	9	—	—
" "	300	22	32	40	20	24	30
" "	330	6	14	22	38	46	50
" "	360	3	5	—	64	66	—
CGF (USP 544)	420	130	135	—	3	6	—
" "	460	90	100	—	8	14	—
" "	500	60	77	87	22	30	35
" "	550	37	50	57	45	47	60
CTD (USP 80)	70	16	18	19	2	3	4
" "	80	7	10	13	4	6	9
" "	90	2½	—	—	12	—	—
CUA (USP 146)	120	29	31	—	2	4	—
" "	130	20	24	—	4	6	—
" "	140	14	17	20	10	12	15
" "	160	5½	9	11	24	25	26
GEC (USP 198)	180	28	36	44	5	8	11
" "	197	14	—	—	12	—	—
" "	200	—	22	30	—	18	20
" "	217	6	—	—	22	—	—
" "	220	—	10	—	—	26	—
" "	237	3	—	—	42	—	—
" "	240	—	7	—	—	46	—
" "	260	2	5	—	64	64	—
GMH (USP 339)	260	80	—	—	2	—	—
" "	280	60	68	—	3	4	—
" "	300	40	48	—	6	7	—
" "	330	21	28	33	15	18	20
" "	360	8	15	21	32	35	38
ICI (USP 382)	260	130	—	—	2	—	—
" "	280	110	—	—	2	—	—
" "	300	90	98	—	2	3	—
" "	330	60	68	—	5	6	—
" "	360	34	40	48	13	17	20
" "	390	18	28	34	26	30	36
" "	420	8	16	22	48	52	56
LS (USP 285)	240	50	—	—	2	—	—
" "	260	30	37	43	6	8	11
" "	280	17	24	31	10	15	19
" "	300	7	11	—	22	26	—
M & S (USP 211)	160	55	—	—	1½	—	—
" "	180	36	42	46	3	4	6
" "	200	23	28	33	7	10	14
" "	220	11	17	22	15	19	24
" "	240	4	7	—	33	36	—
SHL (USP 404)	360	50	—	—	—	—	—
" "	390	26	34	44	14	16	20
" "	420	13	20	30	31	36	40
" "	460	7	10	—	68	70	—

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
BBL (USP 455)	330	—	—	—	1	—	—
" "	360	75	80	87	1	6	12
" "	385	—	—	—	2	—	—
" "	390	45	50	57	2	13	20
" "	420	15	28	40	7	25	30
IMP (USP 126)	90	37	37	—	0½	1	—
" "	100	27	27	—	0½	1	—
" "	110	17	17	20	1	3	4
" "	120	8	10	14	4	7	9
" "	130	3	6	8	8	13	15
LMO (USP 257)	260	10	32	42	12	25	27
" "	280	5	20	30	27	32	42
" "	300	2	12	20	47	52	57
" "	330	2	8	14	77	77	82
" "	360	2	3	—	107	107	—
" "	390	2	2	—	137	137	—
LNR (USP 99)	60	41	—	—	0¼	—	—
" "	70	31	—	—	1	—	—
" "	80	21	21	24	1	2	2½
" "	90	11	12	15	1	4½	6
" "	100	4	6	10	4	11	12
P & O (USP 114)	100	17	21	24	1	3	5
" "	110	7	15	18	3	5	8
" "	120	3	9	13	7	10	16
" "	130	1	6	9	17	19	25
" "	140	1	3	—	27	28	—
" "	160	0½	1	—	46	47	—
RCL (USP 464)	390	75	—	—	1	—	—
" "	420	45	—	—	2	—	—
" "	460	13	35	45	16	25	30
" "	500	2	17	30	42	44	44
" "	550	2	9	15	92	94	94
" "	600	2	3	8	142	144	144
" "	650	1	2	—	192	194	—
RTZ (USP 544)	330	217	—	—	—	—	—
" "	360	187	—	—	1	—	—
" "	390	157	162	—	1	1	2
" "	420	127	132	135	1	2	6
" "	460	87	95	105	1	6	14
" "	500	47	70	75	4	20	30
" "	550	12	40	50	18	42	47
VRF (USP$115)	40	2	—	—	0½	—	—
" "	45	2	—	—	0½	—	—
" "	50	65½	—	—	0½	1	—
" "	55	60½	—	—	0½	1	—
" "	60	35½	56½	—	0½	1	—
" "	70	45½	45½	45	0½	1	—
" "	80	35½	35½	36	0½	1¼	—
" "	90	25½	25½	27	0¼	2	3¼
" "	100	15½	19	22	0¼	5½	7½
" "	110	6½	15½	16½	2½	10	12
" "	120	2½	10	15	8½	16	17

Feb. 2 Total Contracts 2,721 Calls 2,025 Puts 696

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd		215.60	-0.09	—
Managed Inc. Fd	147.61	155.28		—
Property Fd	145.15	152.79	+0.16	—
Fixed Interest Fd	132.49	139.43	-5.04	—
Cash Fd	131.15	138.05	+0.70	—
Income Fd	149.35	157.22	+7.98	—
Extra Income Fd	140.91	148.33	+8.34	—
Worldwide Growth Fd	193.19	203.36	+6.71	—
Balanced Fd	157.84	166.15	+2.09	—
Smlr Co's & Recy. Fd	184.36	194.55	+6.07	—
Int. Technology Fd	223.17	235.76	[illegible]	—
Nth. Amer. & Gen. Fd	139.77	147.13	+8.07	—
Energy Int. Fd	89.87	94.60	+5.55	—
Pacific Basin Fund	114.76	120.80	+1.50	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Equity	91.3	96.2	.....	—
International	102.2	107.6	.....	—
Property	97.5	102.6	.....	—
Deposit	95.4	[illegible]	.....	—
Fixed Interest	93.1	98.0	.....	—
Managed	96.6	101.6	.....	—
Equity Pens Cap	90.1	94.9	.....	—
Intnl. Pens Cap	103.4	108.9	.....	—
Property Pens Cap	97.7	102.8	.....	—
Deposit Pens Cap	95.3	100.3	.....	—
Fixed Int Pens Cap	92.6	97.4	.....	—
Managed Pens Cap	96.6	101.7	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth. Feb 1		95.2	.....	—
Rtmt. Fed. Jan 7		204.4	.....	—
Managed Pen Fund	160.7	169.1	-6.7	—
Property Pen Fund	109.5	115.3	.....	—
Index Lnkd Pen Fund	119.8	126.1	-0.1	—
Managed	106.5	112.2	+0.1	—
Property	97.6	102.8	.....	—
Gilt and Fixed Interest	94.2	99.2	.....	—
Index-Linked	104.3	109.8	+0.2	—
Equity	109.7	115.5	+0.1	—
Cash	97.7	102.9	.....	—
Midland Bk. Unit Tst.	104.5	110.0	+0.5	—
Midland Bank Intnl.	121.6	128.0	-0.6	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

G.T. Management Ltd.
16 Finsbury Circus, Lond EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	124.3	124.6	-1.6	—
GT Pln High Yld Fnd	104.5	110.1	.....	—
GT Plan Far East Fnd	96.3	101.4	.....	—
GT Pln N Am Fund	151.0	159.0	.....	—
GT Pln UK&G.E. Fnd	118.4	124.7	.....	—
GT Pln Wrldwde Fnd.	114.9	121.0	.....	—
GT Pension Bnd Fnd.	125.0	131.6	-1.9	—
GT Pen High Yld Fd	116.5	122.7	.....	—
GT Pen Far East Fd	101.9	107.3	.....	—
GT Pen N. Am. Fd.	183.2	192.9	.....	—
GT Pen UK & G.E. Fd	129.8	136.7	.....	—
GT Pen Worldwide Fd.	121.5	127.9	.....	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	158.9	167.3	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		220.3	.....	—
Portfolio Fd. Init.		187.7	.....	—
Portfolio Fd. Cap.		213.5	.....	—
Portfolio Man. Acc.	67.7	71.3	.....	—
Portfolio Man. Init.	60.2	63.4	.....	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1425	.....	—
Landbank Secs.		64.03	.....	—
Landbank Scs. Acc.	173.3	177.8	.....	—
G. & S. Super Fd.		£10.734	.....	—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Guardian Assurance

Property Bonds	299.3	311.7	.....	—

GRE Linked Assurance Limited

Managed Initial	180.2	189.7	+0.7	—
Do. Accum.	196.9	207.3	+0.8	—
Equity Initial	229.0	241.0	+1.1	—
Do. Accum.	250.2	263.4	+1.3	—
Fixed Int. Initial	168.9	177.8	-0.9	—
Do. Accum.	184.6	194.3	-1.0	—
International Initial	182.4	192.0	+1.6	—
Do. Accum.	199.3	209.8	+1.8	—
Property Initial	122.4	128.8	.....	—
Do. Accum.	133.7	140.7	.....	—
Deposit Initial	119.6	125.9	.....	—
Do. Accum.	130.7	137.6	.....	—

OFFSHORE AND OVERSEAS

NOTES

BUSINESS LAW

The 'perversity' of U.S. antitrust

BY A. H. HERMANN, Legal Correspondent

IT IS one of the objectives of President Reagan's competition policy to overcome what Mr William F. Baxter, his Assistant Attorney General, calls "the economic perversity" of the populist antitrust doctrine developed by the U.S. courts. Mr Baxter, who spoke last week in Brussels* about the U.S. antitrust policy, mistrusts the bigness haters and doubts the self-sufficiency of law. One of his first moves after taking charge of the Antitrust Division of the Department of Justice was to introduce an economic course for the department's lawyers: he says they think it is "great fun" and enjoy it.

In contrast with the decisiveness of his views and the upheaval these must have caused in the antitrust community, Mr Baxter is soft-spoken, unassuming and prefers the language of sweet reason and persuasion to forceful declarations. One has to keep reminding oneself that he is now a politician and no longer a disinterested academic. He has lost no time in making the department's brain-force recant. There are no fewer than 1,300 old decrees on record—many, he thinks, wrong from the beginning and others which have ceased to have the desired effect with the lapse of time. Mr Baxter wants them revoked.

Mr Baxter prefers a hard look at the business reality of each case to legalistic screening of commercial behaviour against the absolute *per se* prohibitions. He protests that this does not mean any laxity of antitrust enforcement: once prevented from pursuing economically *unsound cases, lawyers have* turned their attention to sound cases. As a result, half of his division's budget is now provided for by the fines which it collects.

Even so, prosecution by federal agencies, the Department of Justice and the Federal Trade Commission, represents only a small fraction of antitrust enforcement. Ninety per cent of cases are private actions aiming at treble damages, and Mr Baxter's second major programme established a systematic monitoring of these private litigations. As a result, the antitrust division is now kept informed about the progress of individual cases and can intervene by an *amicus curiae* brief at the right moment.

This must be an uphill task. *Amicus curiae* briefs have been tried before with little success. The U.S. judges are rarely willing to listen, jealously guarding the separation of the judiciary from the executive power. The Department of Justice neither appoints nor feeds them. Any political influences worth consideration are likely to come from the territorial proximity of the courts or from the Supreme Court. The numerous *per se prohibitions* developed by courts will hardly be removed without legislation.

Such legislation dealing with vertical restraints — for example, exclusive dealing and selective distribution—is now being drafted. *One possibility* envisaged is to remove *per se* prohibitions from this field altogether, and give the businessmen a chance to explain to the court why they did what they did. The other possibility would be to retain the prohibitions but to allow for exceptions.

The other major programme of the Antitrust Division has been the re-shaping of the 1968 merger guidelines. In Mr Baxter's view these were "less economically perverse than the judicial doctrine," but still much too destructive.

As a broad rule, Mr Baxter would rather eliminate friendly mergers than unfriendly takeovers. In Wall Street quoted companies, the shareholders of acquired firms do very well—better than the shareholders of the acquiring firms—and this is seen as evidence that either the target company has been badly managed or that there was an important advantage in combining capacities. The fact that the shareholders of the acquiring companies do less well can be explained by the existence of several potential acquirers who push up the price paid for the target company.

Also, institutional shareholders seem to view the danger of a takeover as an excellent means for concentrating the mind of the management. In several instances apparently when the companies wanted to include anti-takeover clauses in *their articles of association*, the institutional shareholders stepped in, threatening that they would sell their shares and that, consequently, the company would have to pay more for its capital.

As always, one of the worst problems of merger control is the definition of the market. Mr Baxter thinks that U.S. courts err by a too narrow definition. He suggests that the proper definition of the relevant market, both territorially and in terms of products, should be such, that an imaginary monopoly supplier should be able in such a market to increase prices profitably. The Antitrust Division has also replaced the conventional consideration of market shares by a more sophisticated calculation.

The new method obtains the concentration ratio of a given market by adding up the squares of market shares of all competitors. If there is only one company which controls 100 per cent of the market, the concentration ratio will be 10,000. If there are 100 competitors, each with a 1 per cent share, the concentration ratio will be 100. The Antitrust Division is not troubled much about markets with a post-merger concentration ratio of less than 1,000. When it is between 1,000 and 1,800 any merger which increases the concentration ratio by 100 is likely to be challenged. If the ratio is over 1,800, an increase of 50 might lead to a challenge.

Let us try to apply the U.S. guidelines to the now proposed UK mail order industry merger between Grattan and Empire Stores. The table sets out market shares in the catalogue section and shows a concentration ratio of 2,897 — way above the 1,800 mark, when even a change of 50 is likely to trigger an investigation, while here it is 126. One can assume, therefore, that the Antitrust Division would investigate such a merger. It would, however, also take other factors into consideration.

One of these would be the great ease of entry and exit into a market where the main investment is in typewriters, office and warehouse space which can easily be converted into other uses, and in advertising which is short-lived anyhow. Going by the new doctrine, the Department of Justice might leave such a project well alone. But as Caesar was *supra gramaticos*, so politics might prevail over econometricians.

**At a conference on U.S. antitrust policy sponsored by the Swiss Review of International Antitrust Law*

UK MAIL ORDER MARKET CONCENTRATION
according to U.S. Antitrust Division guidelines

	Market shares	Square of market shares
GUS	40	1,600
Littlewoods	29.5	870
Freemans	13	169
N. Brown	1.5	2.25
Grattan	[9]	[81]
Empire	[7]	[49]
Grattan plus Empire	16	256
Market concentration ratio		2,897.25
Increase due to merger		126

INTERNATIONAL CAPITAL MARKETS

Setback for bond market

By Alan Friedman in London

THE EURODOLLAR bond market continued to suffer price markdowns yesterday as underwriters attempted to unload issues dating back in November of last year.

Prices of a number of Eurodollar bonds fell by ½ to one point yesterday, with heavy retail selling pressure reported on some World Bank issues.

The World Bank 10¾ per cent 1988 paper was down 1¼ points last night at 96½. Issues for Gulf Oil, General Electric and Warner Lambert – dating back to last autumn – suffered price falls of ¾ to one point and offered yields at around 11 per cent.

Price quotes were virtually unobtainable in some issues, an illustration of how depressed the market remains.

One new issue manager said: "This market is overpriced and it is going down. The amount of turnover on the new issues is almost non-existent."

All eyes remain fixed on New York, where the U.S. Treasury auction is going ahead. Around $4.5bn of 10-year Treasury paper was expected to provide a yield at close to 11 per cent.

This week's only new Eurodollar issue, $48.6m 11¾ per cent 10-year deal for Austria's Donaukraftwerke, was quoted at price discounts ranging up to 4 per cent (from par). The signs were that investors are leaving the Donaukraftwerke paper, along with most other new and recent issues, untouched.

In West Germany, where prices of Euro D-Mark bonds were marked lower by around ¼ point, the stronger dollar continues to inhibit buyers of D-Mark issues.

Italy's Ferrovie della Stato, the state railway, yesterday launched a DM 150m five-year deal through Commerzbank. The bonds are priced with a coupon of 8¾ per cent at 99½, yielding 8.88 per cent and reflecting both the difficult state of the market and Ferrovie's continuing need to pay a premium in order to attract investors.

In Switzerland prices of foreign bonds were down ¼ to ½ point

Eurocredit margins increase

By Peter Montagnon in London

FURTHER confirmation that margins in the Eurocredit market are rising across the board has come with the terms of the $1.2bn loan package, being arranged for the State Electricity Commission of Western Australia, by Westpac Banking Corporation.

The Commission has managed to retain a typically Australian long maturity of 15 years on the $600m Eurocurrency portion of the package, but the margins start at ⅝ per cent and rise in stages to ¾ per cent over London Eurodollar rates. This is markedly above levels on Australian state sector loans before the Mexican debt crisis, which usually ranged from around ¼ per cent to ⅜ per cent.

Westpac was yesterday assembling a lead management group for the credit, which is likely to be seen as a benchmark for Australian public sector borrowers. These rank among the most popular customers of the Eurocredit market.

The loan package also includes U.S. $600m equivalent of local currency financing, to be raised partly through the issue of long term securities and partly through a 12-year bankers acceptance facility, being syndicated among Australian banks.

Proceeds will be used to finance the Dampier to Perth pipeline, through which will be delivered the natural gas which the Commission has contracted to buy from the Woodside project on Australia's North West Shelf.

Deliveries of the gas will run at 385m cubic feet a day, for which the Commission will pay an adjustable price related to that of alternative energy sources such as coal and oil.

U.S. QUARTERLIES

AVON PRODUCTS

Fourth quarter	1982 $	1981 $
Revenue	924.6m	827.7m
Net profits	83.6m	80.4m
Net per share	1.15	1.34
Year		
Revenue	3.0bn	2.61bn
Net profits	196.6m	219.9m
Net per share	2.75	3.66

IC INDUSTRIES

Fourth quarter	1982 $	1981 $
Revenue	1.02bn	1.06bn
Net profits	25.7m	45.4m
Net per share	1.54	2.37
Year		
Revenue	3.87bn	4.09bn
Net profits	68.2m	135.9m
Net per share	3.52	6.74

NATOMAS

Fourth quarter	1982 $	1981 $
Revenue	441.3m	441.4m
Net profits	†8.4m	48.8m
Net per share	–	0.90
Year		
Revenue	1.66bn	1.58bn
Net profits	44.0m	232.5m
Net per share	0.65	4.29

† Loss

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for February 2.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 86/97	150	108⅝	109⅛	-0⅛	-0⅜	11.48
Amex O/S Fin 14¼ 89	75	108¾	109¼	-0¼	-0⅛	12.07
Amro Bank 13 89	200	104¾	104⅞	-0⅜	-0⅞	11.93
BHP Finance 14¼ 89	150	105½	106	-0¼	+0⅛	13.30
Bk Montreal 14½ 87	100	107	107¼	+0⅛	+0⅜	12.15
British Col Hyd 14¼ 89	200	109¾	110¼	-0⅞	-0⅝	12.33
British Col Hyd 15⅛ 92	150	113⅞	114⅜	-0⅜	-0½	12.57
Canada 14⅜ 87	750	109¾	110¼	-0¼	+0¼	11.30
Canadair Ltd 12½ 89	175	103½	104	-0⅛	-0½	11.65
Canadian Wheat 11¼ 90	50	98⅛	98¾	-0¼	0	11.53
Can Pac Ltd 14⅝ 92	75	107½	108	-0⅛	-0½	13.10
Can Pac Sec 15 89	75	109	109¾	-0⅛	+2⅛	12.75
Citicorp O/S 15 84/92	100	104⅛	104⅜	-0⅛	-0⅜	10.81
Coca Cola Int 11¾ 89	100	105⅛	105⅝	-0⅛	-0⅛	10.56
Credit Suisse 10½ 89	100	99½	100	-0⅛	+0⅜	10.54
Deutsche Bk Fin 14⅛ 88	300	108¾	109¼	-0¼	-0⅛	12.13
Du Pont 11¼ 95	150	98½	99	-0⅛	-0⅜	11.44
Du Pont 14⅞ 89 WW	200	107½	108	-0½	+0⅝	12.29
E.D.C. 10¾ 83	100	98⅜	98⅝	-0¼	-0⅞	11.19
E.D.F. 12¾ 87	150	102½	103	-0⅛	-0¼	11.92
E.E.C. 11½ 95	200	96½	97	-0¼	-0½	12.02
E.I.B. 15½ 92	100	110¼	110¾	-0½	-0½	13.43
Exp Dev Corp 11¾ 87	100	101¼	101¾	-0¼	0	11.29
Forsmarks 13¾ 97	75	102¾	102⅞	-0⅛	0	13.22
Gaz de France 12¼ 93	175	18½	19	0	+0⅛	12.45
Gen Elec Credit 12 89	100	104¾	105¼	-0⅛	-0⅛	10.88
Getty Oil Int 14 89	125	106¾	107¼	-0⅛	-0¼	12.29
GMAC O/S Fin 10½ 90	200	95⅜	95⅞	-0⅛	-0¼	11.22
GMAC O/S Fin 15 87	100	108¾	109¼	-0¼	+0⅛	12.13
GMAC O/S Fin 15 89	125	111	111½	-0¼	-0½	12.20
Gulf Oil Fin 12⅛ 87	100	104⅛	104⅝	-0¼	0	10.86
IBM World Trade 12⅞ 92	200	109¾	110¼	-0⅛	-0⅝	10.53
Lloyds Euro 11½ 94	100	18⅜	18⅞	-0⅛	-0½	11.71
Manitoba Prov 11¾ 89	125	102½	103	-0½	-0¾	11.13
Manitoba Prov 13¾ 88	100	108⅛	108⅝	-0¼	-0½	11.82
Midland Int Fin 11½ 92	150	98¼	98¾	-0¼	-0⅜	11.75
Nat West Fin 11¾ 92	150	99¾	100¼	-0⅜	-0½	11.73
New Brunswick 15¼ 87	75	110¾	111¼	-0⅛	-0½	11.80
Newfoundland 15½ 90	75	109½	110	-0⅜	-0⅞	13.32
Nova Scotia Prv 15¼ 89	75	112½	113	-0⅛	-0⅝	12.24
Ontario Hydro 11⅛ 88	200	100⅝	101⅛	-0¼	-0⅛	11.05
Ontario Hydro 12¾ 92	200	104⅛	104⅝	-0⅞	-0⅝	11.94
Ontario Hydro 15 92	150	114⅛	114⅝	-0¼	-0¾	12.31
Prudential O/S 12¾ 87	150	104⅝	105⅛	-0¼	-0⅞	11.32
Quebec Hydro 11½ 92 D	100	97⅝	98⅛	-0¼	0	11.84
R. J. Reynolds 12¾ 89	100	104⅝	105⅛	-0⅜	-0⅝	11.62
Saskatchewan Prov 15 92	150	112⅝	113⅛	-0¼	-0½	12.57
Shell Canada 14⅞ 92	125	106⅝	107⅛	-0⅜	+0⅛	13.02
Superior O/S Fin 14 89	125	106⅞	107⅜	-0⅛	+0⅛	12.27
Swed Exp Credit 14¾ 90	100	106⅛	106⅝	-0⅛	-0½	13.29
Swiss Bk Corp 10¼ 90	125	98⅞	99⅜	-0⅛	+1⅛	10.43
U.B.S. 10⅝ 87	200	101½	102	-0⅛	+0⅝	10.25
U B S 11 89	150	101⅜	101⅞	-0⅛	+0⅛	10.63
Walt Disney Pro 12½ 89	75	102¾	103¼	-0¼	-0¾	11.77
World Bank 10⅞ 90	200	97½	98	0	-0⅜	11.35
World Bank 11⅛ 98	100	95¾	96¼	-0⅛	-1⅛	11.70
World Bank 13¼ 87	300	105⅜	105⅞	0	-0⅛	11.58

Av. price changes: on day -¼, on week -¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	99⅞	100⅜	0	-1⅛	8.23
Asian Dev Bank 8¼ 92	150	98⅝	99⅛	-0⅛	+0⅝	8.41
Australia 6⅞ 93	200	97⅜	98⅛	-0⅛	-0⅜	7.18
Australia 7¾ 92	200	101⅜	101⅞	0	-1⅛	7.50
Bayer Capital 7⅝ 89	150	100⅛	100⅝	0	+0⅛	7.54
Beecham Fin 8⅛ 92	125	100⅝	101⅛	+0¼	+0⅛	8.00
Black & Decker 9⅛ 89	100	103⅞	104⅜	+0⅛	+0⅛	8.27
Caisse Nat Energie 8 93	100	98¾	99¼	-0⅜	-1⅛	8.15
E.C.S.C. 7½ 93	150	97½	97⅞	-0⅜	-1⅛	7.88
E.C.S.C. 8 94	200	99⅝	100⅛	-0⅛	-0¼	8.01
E.E.C. 8 94	200	99⅜	99⅞	-0⅜	-0⅛	8.04
E.I.B. 8¼ 92	200	100½	100⅞	-0¼	-0⅜	8.16
GKN 8⅜ 89	100	97⅞	98⅜	+0⅛	-0¼	8.72
Gould Int Fin 8⅛ 89	75	100⅜	100⅞	+0⅛	-0⅛	8.12
Int-Am Dev Bk 8¼ 93	150	98⅞	99⅜	+0⅛	-0⅜	8.38
Ireland 8⅞ 91	150	99¼	99¾	0	0	8.96
ITT Antilles 9¼ 92	100	105⅞	106⅜	-0⅛	-0⅛	8.27
McDonalds Fin 7½ 92	100	99	99½	-0⅛	-0¾	7.23
Mitsubishi Heavy 7⅝ 87	150	99⅝	100⅛	+0⅜	-0⅛	7.65
Norsk Hydro 9 92	100	104⅛	104⅝	-0¼	-0¼	8.28
O.K.B. 8⅞ 89	100	101¾	102¼	-0⅛	-1⅛	8.42
Sweden Kingdom 8⅛ 89	150	100⅛	100⅝	-0¼	-0⅛	8.17
World Bank 8¼ 92	200	100⅜	100⅞	+0⅛	-0¼	8.15
World Bank 9 92	200	103⅞	104⅜	+0½	-0½	8.33

Av. price changes: on day 0, on week -⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
B.F.C.E. 6¼ 92	100	101½	101¾	-0⅛	-0⅛	6.02
Bowater Int Fin 6 92	100	103½	103¾	-0¼	-0⅜	5.51
Chugoku Ele Pow 6⅛ 91	100	102¾	103	-0⅜	-0⅞	5.66
City of Oslo 6¼ 92	100	105	105¼	-0¼	-0⅛	5.55
E.E.C. 6¼ 92	100	104	104¼	-0¼	-0⅜	5.68
Europarat 6¾ 92	100	104	104½	+0⅛	-0⅛	6.15
First Interstate 6 92	100	103¼	103½	-0⅛	-0¼	5.55
Gaz de France 6 93	100	102½	102¾	0	-0⅜	5.65
Japan Air Lines 6 94	100	103½	103¾	-0½	-0⅛	5.57
Japan Dev Bk 5¼ 92	100	101	101¼	-0¼	-0⅝	5.10
KLM Dutch Air 6⅛ 92	80	103½	103¾	-0⅜	-0⅝	5.75
Kyushu Elec Power 6 92	100	102	102¼	0	-0⅜	5.71
Montreal Urban 6½ 92	100	104½	105	-1⅛	-0⅜	5.84
New Zealand 5¼ 92	100	101½	101¾	-0½	-1⅛	5.04
Nippon Express Co 6 93	50	101⅝	101⅞	-1⅜	-1⅜	5.83
Nippon Kokan 5⅞ 93	100	99	99¼	-0⅜	-1	5.74
Nisshin Steel Co 6⅞ 92	100	101¾	101⅞	-0⅜	-1	6.17
O.K.G. 6¾ 93	80	101¼	101½	-0¼	-0⅜	6.56
Philip Morris 5¼ 92	100	103	103¼	-0⅛	-0⅛	4.84
Philips Lamps 5¾ 92	100	103½	104	-0⅜	-1	5.24
Quebec 5¾ 92	100	102⅝	103⅛	-0⅝	-0⅜	5.35
Sweden Kingdom 5⅞ 92	100	101	101¼	0	-0⅞	5.72
Tokyo Elec Power 5⅞ 92	100	102½	102¾	-0⅛	-0⅝	5.52
Tokyo Metropolis 5⅝ 92	100	101	101¼	-0½	-0½	5.22
World Bank 5½ 93	100	100½	100¾	-0⅜	-1⅜	5.42
World Bank 6¼ 92	100	105½	105¾	-0½	+0⅜	5.48

Av. price changes: on day -½, on week -⅝

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	105⅝	106⅛	-0½	+0⅜	7.75
E.I.B. 8¼ 92	15	102⅞	103⅜	-0⅜	-0⅛	7.72
Japan Airlines 7⅞ 87	9†	100⅝	101⅛	+0⅛	+0½	7.57
New Zealand 8⅞ 87	15	104½	105½	-0⅜	-0⅛	7.12
World Bank 8¾ 92	20	103⅞	104⅜	-0⅛	+0⅛	7.70

Av. price changes: on day -⅜, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 89 C$	50†	112¾	113¼	-0⅛	-0½	13.70
Can Utilities 17 87 C$	35†	113¼	114¼	-0¼	-0¼	12.81
Gaz de France 15 89 C$	75†	106⅛	106⅝	-0⅜	0	13.44
Gaz Metro 14½ 92 C$	40†	104¾	105¼	+0⅛	-0⅛	13.48
O.K.B. 15¼ 89 C$	63†	114¾	115¼	0	+1½	12.22
Quebec Hydro 14 92 C$	60†	107	107½	-0½	-0¼	12.64
Swed Exp CR 12¼ 88 C$	50†	98⅛	98¾	+1⅛	-0¼	12.66
Ireland 12¾ 90 Ecu	30	100¾	101¼	0	+0⅛	12.55
Thorn Brand 12½ 87 Ecu	40	100½	101½	0	+0⅛	12.20
Amfas 9½ 87 Fl	80	104½	104¾	-0⅛	-0⅛	8.35
Amro Bank 9½ 87 Fl	100	105⅝	106½	-0⅛	0	7.96
Neder Middbk 9¼ 87 Fl	100	104⅝	105⅛	-0⅞	-0⅛	7.89
Nedlloyd Grp 10¼ 87 Fl	75	105¾	105⅞	-0⅜	-0⅛	8.74
Van Lanschot 10¼ 87 Fl	50	100	100½	-0⅛	-0⅛	8.05
World Bank 10 87 Fl	100	107¼	107¾	0	-0⅛	8.02
O.K.B. 14 86 FF	400	87⅝	88⅝	0	-0¼	14.88
Solvay & Cie 14¾ 86 FF	200	86⅞	87⅜	0	-0⅛	15.00
B.F.C.E. 14½ 87 £	30	104⅝	105⅛	+0⅛	-0⅛	12.84
C.E.C.A. 13½ 88 £	20	100¾	101¼	+0⅛	+0⅛	13.13
C.N.T. 12½ 89 £	20	97	98	0	-0⅜	13.05
Fin For Ind 12¼ 88 £	30	98⅞	99⅞	0	-0¼	12.37
Fin Mat Oranj 12⅝ 92 £	30	21¼	22¼	+0⅛	-0⅛	13.24
Gen Elec Co 12½ 89 £	50	102⅝	103⅛	+0¼	+0⅜	11.71
Hiram Walker 14¼ 88 £	25	103⅞	105⅛	0	0	12.41
Mort Bk Fin 11¾ 89 £	15	22¼	23¼	0	-0⅛	13.04
Norsk Hydro 12 90 £	30	24½	25½	0	-1¼	13.06
Norsk Hydro 14½ 87 £	30	104⅞	105⅞	+0⅛	-0¼	12.77
Quebec 14½ 89 £	30	102⅞	103⅞	+0⅛	+0½	13.63
Quebec 15½ 87 £	35	106⅞	107⅞	+0⅜	+0⅝	13.05
S.D.R. France 15½ 92 £	30	103½	104½	+0⅛	+0½	14.85
S.N.C.F. 11½ 89 £	30	16¾	17¾	+0⅛	-0⅛	13.34
Tenneco Int 14¾ 87 £	30	104⅞	105⅞	0	-0⅛	13.03
World Bank 11¾ 91 £	75	22⅝	23⅝	0	-0⅛	12.84
Eurofima 10½ 87 LuxFr	500	99	100	-0⅛	-0½	10.61
Europarat 12½ 92 LuxFr	500	104	105	-0⅛	-0⅛	11.86

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Allied Irish 5¼ 92	0¼	97½	98	15/4	10⅝	10.87
Bank of Tokyo 5¼ 91 (D)	0⅛	99⅝	100⅛	18/6	9⅛	9.78
B.F.C.E. 5¼ 98	0⅛	98⅝	99⅛	20/7	9⅛	9.34
B.F.C.E. 5¼ 87	0¼	99	99½	27/7	9.94	10.01
Caisse Nat Tele 5¼ 90	0¼	98	98½	21/4	10.50	10.84
C.C.C.E. 5¼ 2002	0⅜	97⅞	98⅜	1/3	9⅞	10.06
Cepme 5¼ 92	0¼	99½	99⅞	18/6	9.84	10.01
Chemical NY 5⅛ 94 ††	0¼	99⅞	100⅜	23/3	9.94	9.93
Credit Agricole 5¼ 97	0¼	99	99½	24/3	12⅝	12.97
Credit du Nord 5¼ 92	0¼	98¾	99¼	23/8	10⅛	10.23
Credit Lyonnais 5¼ 97	0¼	98	98½	1/4	12.19	12.28
Credit Lyonnais 5¼ 94	0¼	98¾	99¼	6/7	9¾	9.86
Credit Nat 5⅛ 94 ††	0¼	98¾	99¼	9/3	12.19	12.31
Konsallis Osake 5½ 92	0¼	98¾	99¼	6/5	10.06	10.18
Lloyds Eurofin 5⅝ 93 §	0¼	99⅞	100⅛	28/4	10.56	10.58
Long Term Cred 5¼ 92	0⅛	99⅝	99⅞	27/6	10½	10.16
J P Morgan 5⅛ 97 §	0¼	99¾	100¼	14/2	10.00	10.00
Nat West Fin 5⅛ 91 §	0¼	99⅝	100⅛	15/7	9¼	9.26
New Zealand 5⅛ 87	0⅛	100⅛	100⅝	7/4	12½	12.45
NZ Steel Dev 5¼ 92	0⅛	99¾	100¼	22/8	10.19	10.19
Nippon Credit 5⅛ 90	0⅛	99⅝	100⅛	10/2	13⅞	13.88
Offshore Mining 5¼ 91	0⅛	99¾	100¼	2/8	10.44	10.44
Scotland Int 5⅛ 92	0⅛	99¾	100¼	23/3	13⅛	13.26
Sec Pacific 5¼ 91	0⅛	99⅞	100⅜	24/5	10.06	10.05
Société Générale 5⅛ 95	0¼	99	99½	1/3	12.81	12.91
Standard Chart 5¼ 91	0⅛	99⅞	100⅜	10/5	10.00	10.07
Sweden 5¼ 93	0¼	98¾	99	3/2	5⅛	5.37
Sweden 5¼ 89	0⅛	99	99½	26/2	11.81	11.90

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	88	89½	-1¼	2.67
Bridgestone Tire 5½ 96	3/82	478	93⅞	94⅞	-1½	2.32
Canon 7 97	7/82	748.2	157⅞	159⅛	-0⅝	0.84
Fujitsu Fanuc 4½ 96	10/81	5614	94⅞	96⅛	-3⅛	23.44
Hitachi Cable 5¼ 96	2/82	515	96¼	97¼	-1⅜	4.06
Hitachi Credit Corp 5 96	7/81	1612	84⅞	86⅛	+0⅛	17.56
Honda Motor 5½ 97	3/82	835.6	117	118½	-2½	2.21
Kawasaki 5⅛ 96	9/81	229	70	71½	-0⅛	27.30
Kumagai Gumi 6½ 97	10/82	400	110½	112	-0½	6.56
Kyowa Hakko 6⅛ 97	2/83	762	100½	101¾	-1⅝	12.32
Marui 6 96	7/81	846.4	114¼	115⅝	-0⅝	15.15
Minolta Camera 5 96	10/81	826.4	68¼	69⅞	-1¼	36.53
Minorco 9⅛ 97 †	5/82	8.16	145	147	-2	-1.10
Murata 5¼ 96	7/81	1971	87⅞	89⅛	-0⅝	20.70
NKK 6½ 96	7/81	188	80½	82	+1⅛	20.20
Nippon Electric 5¼ 97	2/82	804.2	115½	117	-2⅛	7.55
Olympus Optical 6¾ 97	12/82	1331	99¾	101¼	-0⅞	15.24
Orient Finance 5¼ 97	3/82	1205	87⅞	88⅞	-1⅝	-7.32
Sanyo Electric 5 96	10/81	652	79¼	80¾	-1¼	25.10
Sumitomo Electric 5½ 97	3/82	577.3	95	96½	-0¼	11.09
Sumitomo Metal 5¼ 96	10/81	296.1	69½	71	-0⅛	42.34
Olympus Opt 4½ 92 SF †	12/82	1331	107¾	108	0	32.38
Konishiroku 6¾ 88 DM	6/82	616	112½	113½	0	9.22
Mitsubishi Heavy 6 89 DM	2/82	263	102⅝	103⅝	-0⅛	11.09
Sun Realty 6¼ 92 DM	2/83	365	108¼	109	0	-0.51

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid price, the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn – current coupon. Cn. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

SECTION III CONTENTS

FINANCIAL TIMES

Thursday February 3 1983

World sugar values advance, Page 35

WALL STREET

Blue chips in search of support

SUPPORT arrived for many blue chip stocks early yesterday afternoon after moderate trading on the New York Stock Exchange had pushed share prices broadly lower in the first two hours, *writes Duncan Campbell-Smith in New York.*

The reversal was still narrowly based by 2pm, however. The Dow Jones industrial average, which had fallen by as much as 7.73 at one stage, was up 1.74 points to 1061.53 but declining stocks still outnumbered advancing stocks by 858 to 604. It closed up 2.85 at 1062.64.

The two most actively traded stocks at midsession were Pan American, up $⅜ to $5 and International Harvester, up $¾ to $7⅝. As on Tuesday, Harvester insisted that it knew of no explanation for the heavy trading in its shares and denied speculation that it was planning to sell its core farm equipment business.

In the bond and money markets the weekly settlement day for bank reserves saw the Federal Funds rate open higher at 8¾ per cent. It moved up to 8⅞ per cent and stayed at that level after two *customer repurchase agreements in the* bill market were announced by the Federal Reserve totalling $1.4bn. Dealers in midsession anticipated that further pressure on the rate would test the 9 per cent level.

Treasury bill rates rose sharply in the morning but later fell back to leave *short-term rates only marginally higher* by shortly after 2pm. Three-month bills on a bond-equivalent basis were yielding around 8.43 per cent and the six-months around 8.72 per cent, in both cases just a couple of basis points above their average levels set in Monday's weekly Treasury auction.

Prices in the Government debt markets moved lower, with dealers expressing some concern about the apparent lack of retail demand for this week's major Treasury funding programme. The intermediate and long-dated bonds lost ⅜ and ¾ of a point respectively during the morning although, as in the bill market, prices firmed later in the session.

Tuesday's new 9⅝ per cent notes due 1986, which attracted an average annual yield of 9.98 per cent in the auction, were trading yesterday at around 99 17/32 to *yield 10.03 per cent.*

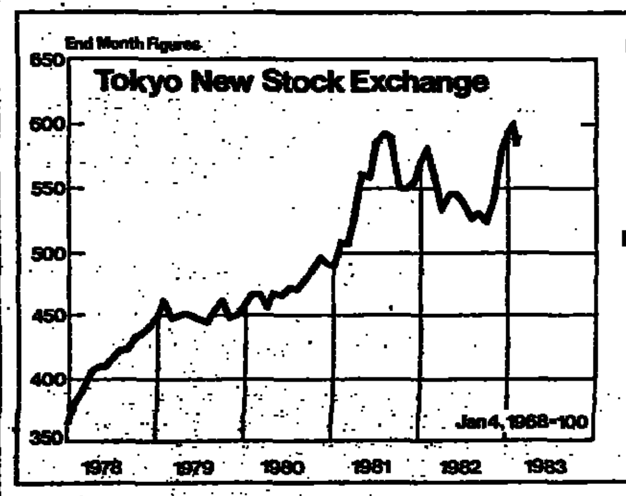
The sale was scheduled for the late afternoon of $4.5bn of 10-year notes. Dealers said trading in the notes on a when-issued basis pointed to expectations of an offering yield around 10.95 per cent or even slightly higher. This brought them to the yield levels available on the current 30-year bonds, they said, which made the relative lack of interest from retail buyers particularly disappointing.

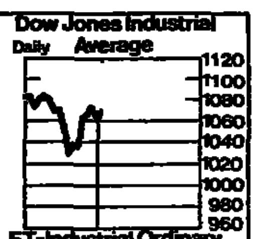
By early afternoon the 10½ per cent notes due 1992 were around 97 23/32 to yield 10.81 per cent and the 10⅝ per cent bonds due 2012 around 94 21/32 bid to yield 10.94 per cent.

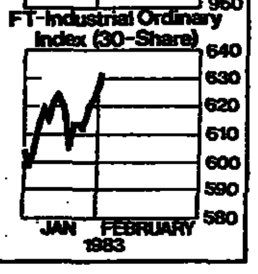
Following in the Treasury market's tracks, corporate bonds were generally about a quarter-point lower. But, in the recent prolonged absence of new issues, dealers said demand for existing corporate bonds was sufficient to have reduced the premium available over Treasury yields from about 1.5 per cent to between 1 per cent and 1.2 per cent in many cases.

Opening weakness in **Toronto** shares was followed by a cautious revival, although many leading issues were slow to come off their lows. Golds and oils were sold persistently. Banks showed above average strength in **Montreal,** however.

KEY MARKET MONITORS







STOCK MARKET INDICES

	Feb 2	Previous	Year ago
NEW YORK			
DJ Industrials	1062.64	1059.79	852.55
DJ Transport	461.88	461.01	355.38
DJ Utilities	124.40	123.94	107.51
S&P Composite	142.41*	142.96	118.01
LONDON			
FT Ind Ord	632.2	628.4	578.0
FT-A All-share	397.81	396.17	330.12
FT-A 500	429.92	428.04	350.81
FT-A Ind	405.16	403.1	319.78
FT Gold mines	673.3	699.0	282.7
FT Govt secs	77.18	77.23	64.79
TOKYO			
Nikkei-Dow	8,108.05	8,105.52	7,828.00
Tokyo SE	588.71	587.35	576.45
AUSTRALIA			
All Ord.	545.1	543.6	548.0
Metals & Mins.	502.2	496.4	395.2
AUSTRIA			
Credit Aktien	49.22	49.26	55.24
BELGIUM			
Belgian SE	103.62	104.57	94.18
CANADA			
Toronto			
Composite	2012.4*	2022.2	1750.0
Montreal			
Industrials	343.62*	346.99	301.65
Combined	331.03*	332.24	287.18
DENMARK			
Copenhagen SE	103.42	103.39	97.26
FRANCE			
CAC Gen	104.2	104.9	105.3
Ind. Tendance	107.5	108.5	113.2
WEST GERMANY			
FAZ-Aktien	249.54	250.84	226.98
Commerzbank	750.3	753.8	686.1
HONG KONG			
Hang Seng	894.81	895.53	1390.15
ITALY			
Banca Comm.	n/b	184.59	190.86
NETHERLANDS			
ANP-CBS Gen	105.0	105.7	87.8
ANP-CBS Ind	91.1	92.0	68.5
NORWAY			
Oslo SE	128.68	127.16	113.46
SINGAPORE			
Straits Times	779.26	775.65	785.17
SOUTH AFRICA			
Golds	1068.8	1037.8	551.0
Industrial	820.1	816.4	706.3
SPAIN			
Madrid SE	104.15	104.5	104.13
SWEDEN			
J & P	1044.82	1050.71	602.1
SWITZERLAND			
Swiss Bank	299.9	301.2	249.2

GOLD (per ounce)

	Feb 2	Prev
London	$499.50	$507.50
Frankfurt	$498.50	$506.50
Zurich	$498.50	$508.50
Paris	$502.65	$510.79
New York futures (Feb)	$503.50*	$503.70

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR Feb 2	U.S. DOLLAR Previous	STERLING Feb 2	STERLING Previous
£	1.5150	1.5240	–	–
DM	2.4950	2.4620	3.78¼	3.75½
Yen	242.25	239.15	367¼	364½
FFr	7.0775	6.97625	10.72	10.63
SwFr	2.0475	2.0125	3.10¼	3.07
Guilder	2.7340	2.6995	4.14½	4.11½
Lira	1427¾	1412½	2162	2152
BFr	48.67	48.15	73.75	73.40
C$	1.2382½	1.2355	1.8755	1.8825

INTEREST RATES

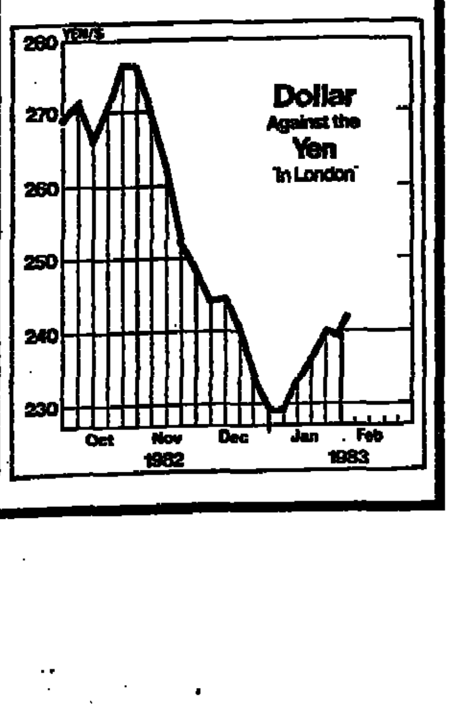
	Feb 2	Prev
Euro-currencies (three month offered rate)		
£	11⅝	11¾
SwFr	3 1/16	3 1/16
DM	5 15/16	5⅞
FFr	20⅞	20⅞
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 9/16	9 11/16
6-month U.S.$	9⅝	9 15/16
U.S. Fed Funds	9*	8½
U.S. 3-month CDs	9.10*	9.05
U.S. 3-month T-bills	8.24*	8.15

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT) 8% $100,000 32nds of 100%				
March	73–02	73–04	72–25	73–12
U.S. Treasury Bills (IMM) $1m points of 100%				
March	91.68	91.69	91.61	91.72
Cert Deposit (IMM) $1m points of 100%				
March	90.71	90.72	90.65	90.75
LONDON				
Three-month Eurodollar $1m points of 100%				
March	90.21	90.35	90.19	90.36
20-year Notional Gilt £50,000 32nds of 100%				
March	98–09	98–16	97–29	98–06
Three-month Sterling Deposit £250,000 points of 100%				
March	88.70	88.77	88.61	88.64

LONDON COMMODITY MARKETS

	Feb 2	Prev
Silver (spot fixing)	902.30p	940p
Copper (Cash)	£1054	£1065.30
Coffee (March)	£1678	£1674.50
Oil (spot Arabian light)	$29.67	$29.45



LONDON

Glory in adversity for many

ANOTHER impressive overall performance was achieved yesterday by London equities: although closing gains were generally moderate, they were achieved in the face of a batch of adverse influences. These included continuing sterling and oil price worries, the unresolved water workers' dispute and fears about the inflationary effects of the U.S. budget deficits.

UK budget hopes, which stimulated leading store shares, were the lone favourable pointer.

Blue chips and many other industrial shares did move easier initially. Simultaneously, interest in secondary and situation issues slowed noticeably only to expand again as offerings of leading stocks were absorbed. Speculative demand centred on existing market favourites – especially International Petroleum, which shot up 120p to 195p on drilling hopes – and later broadened to add several newcomers to an already crowded list.

Oil shares made a relatively steady showing despite the uncertainty about a cut in crude prices. Quotations were inclined a few pence harder before drifting back to close around the overnight levels.

Several constituents of the FT Industrial Ordinary share index moved lower against the trend, notably engineering concerns GKN and TI, which had staged a welcome revival over the two previous days, and Glaxo.

The index, down 2.5 at 11a.m. managed to close a net 3.8 up at the day's best of 632.2 – just 5.2 short of last November's record high of 637.4.

Exchange rate uncertainties continued to inhibit government stocks. Quotations followed sterling's weakness against the dollar, sometimes to the extent of a half-point among longer dated issues, before reverting to overnight levels on the pound's firmness against major currencies as a whole.

The shorts fluctuated either side of Tuesday's closing prices prior to firming late and settling around an eighth better on the day. Index-linked stocks revived, with the accent on £25-paid Treasury 2½ per cent 2016, which the authorities supplied at 25½ before withdrawing.

The recent upsurge in mining markets came to a halt as both precious and base metal markets faltered. South African golds fell sharply on overnight American selling coupled with substantial profit-taking from European sources following the $8 reaction in the bullion price to $499.50 an ounce.

AUSTRALIA

Oils weaken

A WEAK *oil sector undercut a generally* firm Sydney market, and while golds met considerable interest from London investors their prices too ended mixed.

Brokers said price cuts by U.S. oil majors had affected Australian resource issues, and two-way activity continued in the golds as the bullion price clung precariously to the $500 level.

Banks moved lower in barely steady **Melbourne.**

SOUTH AFRICA

Cheaper golds

BY THE close of **Johannesburg** trading some hours later than the Australian markets, world bullion prices had begun to turn lower and gold shares finished easier, despite a late resurgence of buying as bargains became apparent.

In mining financials Gold Fields of South Africa moved assertively upward against the trend, in further reaction to its good half-year results. Strong demand was also in evidence for De Beers, which ended 60 cents above its R9 Tuesday close, while platinums retained some firmness.

EUROPE

Rate fears cut a wide swathe

WORRIES over the course of interest rates, combined with Wall Street's overnight slide and shaky opening yesterday, brought renewed weakness to stock and bond prices throughout Continental Europe's major financial centres. *Exacerbating this trend in Belgium* and West Germany, concern manifested itself over the durability of the countries' governing coalitions.

In **Frankfurt,** where commercial bank economists were quoted as detecting a growing conviction that a further relaxation of the Bundesbank's monetary policy would not be possible before the federal elections of March 6, profit-taking was the order of the day on the bourse.

Even strong results from Siemens, the electrical major, failed to inspire much fresh buying. Its stock ended a bare 80 pfg up at DM 257.30, while the Commerzbank index finished 3.5 lower at 750.3 and the FAZ index 1.3 softer at 249.54.

Vehicle issues weakened after a warning by Herr Horst Backsmann, president of VDA, the industry association, that improved output figures for 1982 were unlikely to be repeated this year as domestic demand remained poor.

The weaker domestic bond market led to setbacks for banking issues, with Deutsche Bank down DM 1.50 at DM 260.50 and Dresdner a full DM 4 at DM 135.

None the less, falls among bond issues were generally kept below a half-point and trading was quiet as the dollar continued strongly.

Amid the regional and linguistic pressures on the Martens coalition, holding company stocks led **Brussels** values down. Bruxelles Lambert ended BFr 20 off at BFr 1,580 and Société Générale BFr 36 to BFr 1,296.

Nearly all **Paris** sectors were lower, with Matra a particularly weak feature after its production accord with the state-owned Renault group. Temporarily suspended with a limit fall, it ended FFr 151 down at FFr 1,184.

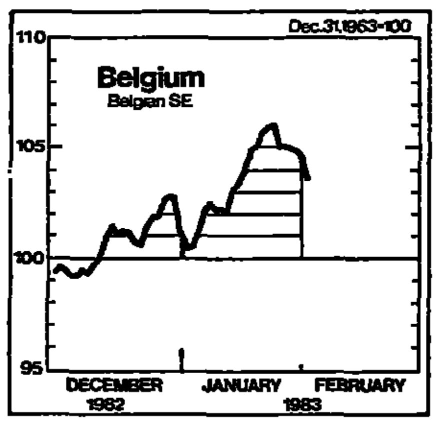
A third successive daily raise in call money, leaving the rate at 12¾ per cent, also depressed sentiment.

Financial issues were well maintained in **Amsterdam** and some Dutch internationals *managed to trim losses in late* trading. But KLM was among those not to benefit from this, and ended Fl 7.50 weaker at Fl 151.

A barely steady picture emerged in **Zurich** as buyers made a hesistant return towards the close. Interfood, being renamed Jacobs Suchard, added SwFr 25 to SwFr 5,650

A similar trend of opening setback followed by selective rally was the experience in **Milan,** *where Rinascente and Interbanca* did well. Active bond market trading left treasury bills and certificates mixed.

Mining group Boliden was notably weak in **Stockholm,** where leading shares showed a slender majority of gains. Volvo added SKr 20 to SKr 310. **Madrid** turned dull after a good performance on Tuesday.



FAR EAST

Foreigners turn to Tokyo steels

FOREIGN buying provided **Tokyo** steel issues with a far brighter finish yesterday, but otherwise the market was irregularly mixed as international populars were pushed further into the background.

Nippon Steel rose Y13 to Y152, Sumitomo Metal Y10 to Y160 and Kawasaki Steel Y8 to Y139. In addition Nippon *Light Metal, which had been languish*ing in the morning, began an advance on reports that the company had sold 630,000 Alcan Aluminium shares in New York – prompting speculation that it might be moving to sever its ties with Alcan, which holds half the Japanese company's stock.

Despite gains by several shipbuilders, dealers were not convinced that a sustained upturn for that sector was justified. *Earnings in the industry have been* worsening for some time, they pointed out, reflecting sluggish world trade amid the recession.

Light electricals, precisions, vehicle and drug manufacturers moved lower, but the Nikkei-Dow Jones Market average edged 2.53 upward to 8,108.05 in heavy volume of 730m shares. The Tokyo SE index gained proportionately more, up 1.36 to 588.71.

Buying interest in Keisei Electric Railway was momentarily daunted by a decision of the exchange authorities to tighten limits on margin trading in the stock following its recent climb.

The Japanese bond market continued to rise as the Finance Ministry intervened for the second consecutive day to buy benchmark 7.7 per cent 10-year national bonds from securities houses.

Overseas support also gave initial firmness to **Hong Kong,** but was outweighed by the now almost traditional halt called by local investors, quick to absorb the gains. Trading in the half-day midweek session was lacklustre and Hongkong Land was the only leader to rise, up 2½ cents at HK$4.10, in what dealers attributed partly to its recent successful arrangement of a HK$4bn credit facility.

Other properties weakened: Sun Hung *Kai was off 10 cents to HK$5.80.*

Renewed buying interest was active, if selective, in **Singapore** where hotels, properties and commodities all moved higher and Malaysian issues provided a good part of the motivating force.

Pan Malayan Cement was up 15 cents to S$5.40 while the Public Bank and Malayan Bank each gained 10 cents to S$5.30 and S$6.60 respectively.

NEW YORK STOCK EXCHANGE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 33

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AMERICAN STOCK EXCHANGE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 34

NEW YORK STOCK EXCHANGE CLOSING PRICES

Continued from Page 32

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 34

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

WORLD STOCK MARKETS

CANADA | DENMARK | HOLLAND (continued) | AUSTRALIA | JAPAN (continued) | FRANCE | ITALY | NORWAY | SPAIN | GERMANY | SWEDEN | SWITZERLAND | AUSTRIA | BELGIUM/LUXEMBOURG | HOLLAND | HONG KONG | JAPAN | SINGAPORE | SOUTH AFRICA

[illegible]

Financial Rand US$0.75 (Discount of 19½%)

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change
Acorn Elec.	312	+ 60
Bio-Isolates	365	− 5
Combined Tech.	78	− 1
De Beers Defd.	477	+ 21
Gartons	23	− 5½
Glaxo	£14	− 0¼
Gold Fields SA	£31½	− 3½
Grand Met.	358	− 1
Immed. Bus. Systems	325	− 25
International Pet.	195	+120
London and Liverpool	664	− 30
Mettoy	47	+ 8

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Acorn Elec.	36	252	+46
Lond. & Livrp'l.	22	666	−12
Bio-Isolates	26	370	+80
Combnd. Tech.	20	79	+ 8
Peck Hldgs.	18	39	+12
Sumrie	18	85	+15
Hambros	16	170	− 7
Imm. Bus. Sys.	16	300	+16
TI	15	168	+12
Hanson Trust	14	198	−13
Meyer Int.	14	120	+ 7
Exco	12	413	−10
Glaxo	12	£14¼	− 0¼
RTZ	12	550	+ 7

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (130)

BRITISH FUNDS (2)
AMERICANS (5)
BANKS (3)
BREWERS (1)
BUILDINGS (13)
CHEMICALS (5)
DRAPERY & STORES (2)
ELECTRICALS (6)
ENGINEERING (9)
FOODS (6)
INDUSTRIALS (26)
LEISURE (1)
NEWSPAPERS (1)
PAPER (4)
PROPERTY (4)
SOUTH AFRICANS (1)
TEXTILES (4)
TOBACCOS (1)
TRUSTS (23)
OIL & GAS (1)
PLANTATIONS (3)
MINES (11)

NEW LOWS (7)

ENGINEERING (3)
Brasway Bromsgrove Casting
Wellman

INDUSTRIALS (1)
Anglo Nordic

PROPERTY (1)
Amal. Estates

TEXTILES (1)
Dixon (D.)

OILS (1)
Falmouth Pet.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Jan 24	Feb 4	May 5	May 16
Feb 7	Feb 18	May 19	May 31
Feb 28	Mar 11	June 2	June 13

For rate indications see end of Share Information Service

Money was given for the call of Premier Consolidated, Combined Technology, South West Resources, May and Hassell, Immediate Business Systems, Sound Diffusion, Hampton Trust, Gartons, Lightning Ridge, Comfort Hotels, RHP, Celtic Haven, North Kalgurli, Kiaora, London and Liverpool, ICI, Carr Boyd, Mettoy, Babcock International, Harmony, East Daggafontein, Bio-Isolates, Polly Peck, Keep Investment, ICL and First National Finance.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	21	10	66
Corpns., Dom. and Foreign Bonds	16	2	59
Industrials	336	187	904
Financial and Props.	95	121	298
Oils	20	20	70
Plantations	5	—	17
Mines	20	74	56
Others	42	66	44
Totals	555	480	1,414

FINANCIAL TIMES STOCK INDICES

	Feb. 2	Feb. 1	Jan. 31	Jan. 28	Jan. 27	Jan. 26	year ago
Government Secs.	77.18	77.23	77.02	77.57	77.16	77.55	64.79
Fixed Interest	79.22	79.05	79.07	78.71	79.63	79.88	64.64
Industrial Ord.	632.2	628.4	622.7	620.0	611.6	614.4	578.0
Gold Mines	673.3	699.0	677.0	649.2	639.2	627.3	288.7
Ord. Div. Yield	4.84	4.85	4.88	4.86	4.91	4.87	5.29
Earnings, Yld.% (full)	10.40	10.43	10.47	10.44	10.55	10.47	9.47
P/E Ratio (net) (*)	11.54	11.51	11.46	11.50	11.38	11.46	13.40
Total bargains	25,064	26,616	25,280	22,052	22,895	22,582	21,168
Equity turnover £m.	—	304.77	235.51	311.25	239.42	188.72	175.15
Equity bargains	—	25,059	27,217	24,888	20,265	18,122	17,107
Shares traded (ml)	—	196.1	164.5	199.1	156.3	143.1	131.9

10 am 626.7. 11 am 625.9. Noon 627.0. 1 pm 628.4. 2 pm 628.7. 3 pm 629.9.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/56. SE Activity 1974.

Latest Index 01-246 8026.
*Nil=10.71.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (8/11)	61.89 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	637.4 (12/11)	518.1 (5/1/82)	637.4 (12/11/82)	49.4 (26/6/40)
Gold Mines	699.0 (1/2/83)	181.2 (22/6)	699.0 (1/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 1	Jan. 31
—Daily Gilt Edged Bargains	169.1	156.4
Equities Bargains	162.4	176.3
Value	616.0	476.0
5-day Avrge. Gilt-Edged Bargains	162.0	166.9
Equities Bargains	149.7	141.6
Value	616.0	474.7

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — FIXED INTEREST — AVERAGE GROSS REDEMPTION YIELDS

[illegible]

NEW YORK AND CANADA Indices

NEW YORK — DOW JONES — STANDARD AND POORS — N.Y.S.E. ALL COMMON — MONTREAL — TORONTO Composite

[illegible]

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

[illegible]

12 Month High	Low	Stock	Div. Yld. P/E	Sls 100s	High	Low	Close	Ch'ge Prev Close
14⅛	7⅞	Wesco	54 4.3 9	5	12⅞	12½	12⅞	+ ⅛
24½	7⅞	Wspcp	n 19	29	20½	20	20¼	− ⅛
15⅛	7	Wstbr	g 40	10	12	12	12	− ¼
20	5½	WstnSL		51	17¼	17	17	−1
8⅞	4	Wichita		51	6⅛	5⅞	6	− ⅛
4⅞	1⅝	WilcxG		481	4⅞	3⅞	4⅛	+ ⅛
22	14⅝	Wincp	pd 1 48 25	13	21	20¼	21	+ ½
11¼	8¼	Winkim	50 5.0 77	3	10	9⅞	10	+ ⅛
41	29⅞	WisP	pf4 50 12.	z20	39	39	39	− ⅛
3⅛	1⅞	WolfHB		1	3⅛	3⅛	3⅛	− ⅛
8½	5⅞	Wdstrm	40 5.5	4	7½	7¼	7¼	− ¼
12⅞	7⅛	WkWear	19	2	7⅛	7⅛	7¼	
9¼	4	WwdeE	34	1049	7	6⅛	6⅛	− ⅛
27	19¾	Wrathr	05 2	4	22⅞	22⅞	22⅞	
9⅞	1⅜	WrgtH	g 31	1315	u9½	8⅞	9⅛	+ ½

X–Y–Z

12 Month High	Low	Stock	Div. Yld. P/E	Sls 100s	High	Low	Close	Ch'ge Prev Close
14⅛	4⅝	Xcel	513	4	5⅛	5⅛	5⅛	
11	5⅛	YankO	6	41	9⅞	9⅛	9¼	− ⅝
13	3⅛	Zimer	s 10 9 24	v24	10⅞	10⅝	10⅞	+ ⅛

NEW YORK CLOSING PRICES

Continued from Page 33

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COMMODITIES AND AGRICULTURE

CAP 'will respond to European needs'

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE Common Agriculture Policy will not be reshaped in the interests of competitors, said M Claude Villain, EEC director-general of agriculture.

CAP would "respond in the first place to the needs and priorities of Europe itself," he said yesterday in an uncompromising speech to the Agra-Europe *Outlook* '83 conference in London.

Production of certain items—milk, cereals and sugar in particular—were beyond European and commercial demand but he said that the use of export subsidies to dispose of surpluses was perfectly justified under the rules of Gatt.

He claimed that the commission could cure this over-production by reducing the price of cereals towards those on the world's markets.

He also said that the principle of producer, co-responsibility for the cost of disposal could be reinforced and extended.

A more sceptical view came from Dr Rudolph Stoehr, of grain dealers Toepfer International. The grain surplus was likely to go on rising in the community by about 2 per cent annually which could mean a net surplus of 22m tonnes in 1990 as against 10m tonnes now.

But he said that, by then, world grain exports would have risen from 200m to 280m tonnes which should leave room for EEC exports in the same proportion as formerly.

The American view was put by Mr Howard Hjort, former director of economics at the U.S. Department of Agriculture. He pointed out that the U.S. has taken strong action to curb production of grain and cotton in 1983 and can be expected to press other exporting countries to share the near-term costs and longer range benefits of doing so.

Supply/demand imbalance

BY JOHN EDWARDS

IT MAY take until the 1990s or longer for suplies of some metals used in steelmaking to come into balance with demand, says Mr Gerald Pollio, economist at the Chemical Bank in New York.

Mr Pollio said the annual growth rate will be 1 per cent or less in the 1980s for such metals as nickel, manganese, iron ore and others used in steel production.

He predicted that most other metals would move into supply-demand equilibruim by the mid-1980s.

Mr Pollio said aluminium may show the strongest performance of all. He forecast that copper prices would average about 80 cents a lb this year, compared with 67 cents in 1982.

On the London Metal Exchange yesterday, the decline in gold to back below $500 an ounce brought a generally easier tone. High-grade cash copper lost £11.75 to £1,054 a tonne and cash zinc was £9 lower at £453.5 a tonne.

The biggest drop was in the aluminium market where the cash price fell by £26.5 to £758 a tonne. Traders said the fall resulted from heavy profit-taking sales by speculators, who have been the dominant influence behind the recent upward surge in values.

However, the upward trend is expected to be resumed after the shake-out, since underlying sentiment remains bullish. It was noted that the decline in precious metals in the morning quickly brought renewed buying interest at the lower levels.

Cypriot potato crop delayed

By Andreas Hadjipapos in Nicosia

CYPRUS WILL have a late potato crop this year and this is likely to cause marketing problems, says Mr Andreas Savvides, director of the Cyprus Potato Marketing Board.

The lateness of the crop will reduce Cyprus's advantage with early sales. Producers should expect lower prices this year because of higher duties to EEC countries and over-production in Europe, he said.

● BARROW Milling of Ireland *has announced an* I£20 per tonne cut in the price of bakers' flour. Barrow, which has 12 per cent of the Irish flour market, made its move after Ranks Ireland, a subsidiary of Ranks Hovis McDougall, announced it was closing its Irish mills.

● BRITISH farmers are losing up to £5 on every pig sold, because of rising feed costs and lower prices, said Mr Bill Gollop, chairman of the NFU pig committee.

● THE PHILIPPINES has extended its copper subsidy until April. Local producers will be able to sell at 76 cents per lb to the state-owned National Development Company.

● MACKEREL trawlers have been granted an extension to fish off the south west coast because of bad weather.

● POLISH meat rations are likely to be reduced slightly this year. The U.S. Agriculture Department expects per capita consumption to drop from 55 kilos last year to less than 52.

● NORWAY is to send 65 tons of stockfish to Ghana to help feed refugees returning after expulsion from Nigeria.

● THE price of tungsten ore, as assessed by Metal Bulletin, should be $76-$82 per metric unit WO3 wolframite, not $76-$84 as stated in the list of *Weekly Metals in Wednesday's* Financial Times.

Malaysia: 'We can write off this year'

Wong Sulong takes a pessimistic look at prospects for Malaysia's main commodity exports.

MALAYSIA sees a gloomy year ahead for four commodities in which it is the world's leading exporter: rubber, tin, palm oil and tropical timber.

It also expects difficult negotiations on international co-operation on these commodities.

"Short of a quick and sustained upswing in the U.S., we can write this year off as far as commodities are concerned," says a senior official at the Malaysian Ministry of Primary Industries.

"*Even if the U.S. can pull the* world out of the recession, there is no certainty that commodity prices will move up appreciably."

He is well aware that by now, commodity stocks held by consumers in the industrialised countries are down to rock bottom. But at the same time, the international buffer stocks of rubber and tin are holding record surpluses that might take years to deplete.

In the case of the rubber buffer stock-manager, he has accumulated more than 260,000 tonnes of rubber since entering the market in November 1981.

COMMODITY PRICES ($ Malaysian)	1980	1981	1982	1983
Rubber (per kilo)	3.12	2.58	2.05	2.20
Palm oil (per tonne)	1,172	1,177	990	1,050
Saw logs (cu m)	173	156	180	190
Tin (per kilo)	35.71	32.34	30.20	30.00

Source: Malaysian Finance Ministry. 1983: Ministry estimates

For several weeks last November and December, he deliberately stayed out of the market allowing prices to slide, and only going in again late last month when it was obvious that his absence would drive the price below the "must buy" floor level of 166 Malaysian/Singapore cents per kilo.

The buffer stock manager has adequate funds to carry on buying but has avoided buying in a big way because it would not take long before the 300,000 tonne mark is reached.

This will trigger the convening of a special session—likely to be acrimonious — between consumer and producers of the International Natural Rubber Agreement for a price and operational review.

Since 1980, the rubber price has been falling relentlessly, and in January it reached an all-time low, which meant that even the most efficient rubber estates were losing money.

The prospect for tin is equally bleak. Since last July, producing members of the International Tin Council have had to limit their exports by as much as 36 per cent of their normal volumes.

Yet the tin price on the Penang physical market has been stagnant at its floor level of SM29.15 per kilo (£8,280 a tonne at today's prices) for the past two months.

Export controls have not been as effective as they should; largely because the Latin American producers, Bolivia and Brazil, are not members of the sixth ITC, and there is considerable smuggling of tin to Singapore by South East Asian miners, trying to circumvent their production quotas.

If the 36 per cent export cut is carried through 1983, and if consumption remains unchanged at 160,000 tonnes, Malaysia expects a shortfall of 10,000 to 20,000 tonnes on the world market.

But then, prices are unlikely to move up since the shortage should be well met by the buffer stock manager, who is thought to be holding more than 50,000 tonnes of the metal, accumulated during buying last year.

Malaysia's disenchantment with international commodity pacts is underlined by its refusal to attend the Unctad sponsored talks on the setting up of an International Tropical Timber Association.

It feels many participating governments do not have the political will to make it work, and there are too many species of timber.

Malaysian timber prices are doing reasonably well, compared with rubber and tin, although timber prices have hardly moved in recent years after accounting for inflation.

Palm oil prices eased considerably during 1982, as a result of an abundance of edible oils in the world market. Malaysia's own palm oil output last year surged ahead to 3.5m tonnes, from 2.85m in 1981.

For this year, crude palm oil prices, fob is expected to be between $M1,000-1,100 (£——) per tonne, which is low, but unlike rubber will still bring in a reasonable return to growers.

Malaysia's palm oil production for this year is expected to move ahead, probably to 4m tonnes, so that the concern is not prices but rather finding new markets for the surging output.

World sugar values rise

BY OUR COMMODITIES STAFF

WORLD SUGAR values gained ground in London yesterday encouraged by a further decline in the value of sterling, reports of Iranian buying interest and a reduced crop forecast in South Africa.

In the morning, the London daily price was fixed £3 up at £106 a tonne and on the London futures market the May quotation ended £2.025 higher at £116.175 a tonne.

Futures prices were trimmed slightly near the close following the announcement of higher-than-expected export authorisations at the EEC's weekly tender in Brussels. Export licences were granted on 44,000 tonnes of white sugar and 13,000 *tonnes of raws.*

In Johannesburg, Sugar Association officials said the current severe drought in Natal province had cut 1983/84 sugar crop expectations to around 2m tonnes, down from a record 2.14m tonnes in 1982/83.

This figure, which compares with an early season projection of a 2.3m tonnes crop, assumes that the drought will continue until the growing season ends in March.

In Rome, the UN Food and Agriculture Organisation forecast 1982/83 world sugar production at 98m tonnes, down 1.5m from 1981/82.

"The effect of smaller plantings in several areas has been largely offset by increased yields and higher sugar con*tent," it said in its latest* monthly bulletin.

Russia to buy Grenada nutmegs

By Tony Cozier in Barbados

THE Soviet Union is to buy 500 tonnes of nutmegs a year from Grenada for the next five years. Arrangements are now being made for the first shipment and prices will be determined by negotiations before each shipment.

The nutmeg deal is part of an overall trade and aid agreement signed last year when Mr Maurice Bishop, Grenada's Prime Minister, visited Moscow last year.

Grenada's nutmeg production has fallen dramatically since 1955 when a hurricane *destroyed most of the trees* on the island.

Cocoa support on agenda

BY OUR COMMODITIES STAFF

THE QUESTION of support buying of cocoa under the International Cocoa Agreement (ICCO) in an attempt to boost prices will be revived at an ICCO executive committee meeting in London this week, according to committee delegates.

Price support operations by the agreement's buffer stock manager ceased in March last year when his funds ran out. Since then, however, a $75m (£48.7m) loan has been negotiated with a group of Brazilian banks and another $30m has been accrued from export levies.

But the ICCO has not yet decided how to use this money and following the recent price rise to 16-month highs the delegates do not expect an early decision. They think the matter will be carried over into the full ICCO council meeting scheduled for March 14-25.

Part of the money will be used to finance "rotating" the existing 100,000 tonnes of stocks but there is also a suggestion for using the fund to buy up to 150,000 tonnes from producers on deferred payment terms.

Current cocoa prices are about 20 per cent below the agreement's official "floor" price of 106 cents a pound.

● WORLD COFFEE stocks are estimated at about 46m bags—about *nine months world supply* —says the ICO.

PRICE CHANGES

In tonnes unless stated otherwise	Feb. 2 1983	+ or —	Month ago
Metals			
Aluminium	$810/815		$815/815

	Feb. 2 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$445z	—2.5	$448.5

LONDON OIL SPOT PRICES

North Sea (Forties)	28.80-28.85	—0.18
Brent	28.85	—0.35
African(Bonny L't'nt)	28.00-30.40	+0.55

PRODUCTS—North West Europe CIF ($ per tonne)

Premium gasoline	276-279	—3.0
Gas oil	237-246	—3.5
Heavy fuel oil	152-155	—4.0

GAS OIL FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ U.S. per tonne		
Feb.	241.00	+3.00	245.00-40.00
March	234.75	+4.00	237.00-33.00
April	229.75	+4.00	231.50-28.00
May	229.50	+4.50	230.50-27.25
June	229.25	+4.50	230.00-27.50
July	228.50	+2.00	231.00-27.50
Aug	231.00	+3.50	—
Sept.	235.00	+7.00	236.00
Oct.	240.00	+5.00	240.00

Turnover: 5,724 lots of 100 tonnes.

GOLD MARKETS

Gold fell $8 an ounce from Tuesday's close in the London bullion market yesterday to finish at $499-500. The metal opened at $499¼-500¼, its best level of the day but continued a weaker trend seen in New York and the Far East to touch a low of $495¼-496¼. The softer tone also reflected continued dollar strength and fears of higher U.S. interest rates.

In Frankfurt the 12½ kilo bar was fixed at DM 39,815 per kilo ($499.0 per ounce) against DM 40,535 ($508.01) and closed at $498-499 from $508-509.

In Paris the 12½ kilo bar was fixed at FFr 113,700 per kilo ($502.65 per ounce) in the afternoon compared with FFr 113,100 ($500.03) in the morning and FFr 115,000 ($510.79) on Tuesday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was fixed at $497.50 from $509.0.

In Zurich gold finished at $497-500 from $499-502.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
February	498.00-9.00	-9.500	498.00
March	502.00-3.00	-8.750	—
April	505.70-6.70	-8.450	508.50-04.4
May	510.00-0.70	-9.400	511.50
June	514.40-4.80	-8.550	517.00-14.1
July	518.40-8.80	-8.750	—
August	522.30-2.40	-8.850	—

Turnover: 682 (1,198) lots of 100 troy ounces.

	Feb. 2		Feb. 1	
Gold Bullion (fine ounce)				
Close	$499-500	(£329¼-330)	$507-508	(£331¾-332¼)

EUROPEAN MARKETS

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES were generally easier on the London Metal Exchange. The decline precious metals saw Copper to £1,079 before a rally to £1,082 at the close while Lead ended the day at £311 and Zinc at £467.5. Aluminium remained extremely active and was dominated by speculative business which saw the price drop to *£770 before* closing at £781.5. Further support buying by the buffer stock managed lifted Tin to £8,287.5.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1048-.5	—21	1053.5-4.5	—11.7
3 months	1080.5-1	—21.5	1086-.5	—11.5
Settlem't	1048.5	—22	—	.....
Cathodes				
Cash	1025-.5	—18	1028-9	—11
3 months	1055.5-6	—17.7	1058.5-9	—11
Settlem't	1025.5	—18	—	.....
U.S. Prod.	—	—	*74-74	.....

Amalgamated Metal Trading reported that in the morning cash High Grade traded at £1,048. Three months £1,084, 83, 83.5, 83, 82.5, 82, 81, 81.5, 81, 80.5, 80. Cathodes: Three months £1,054. Kerb: Higher Grade: Three months £1,082, 83, 84, 84.5, 84, 83.5, 84, 84.5. Afternoon: Higher Grade: Three months £1,084, 84.5, 85, 86, 86.5, 87, 86.5, 86. Cathodes: Three months £1,058. Kerb: Higher Grade: Three

SILVER

£2,640, 45. Afternoon: Three months £2,645, 50, 60, 65, 70, 75. Kerb: Three *months £2,675, 80.*

Silver was fixed 37.7p an ounce lower for spot delivery in the London bullion market yesterday at 902.30p. U.S. equivalents of the fixing levels were: spot $13.715, down 58.7c; three-month $14.033, down 59.2c; six-month $14.369, down 58.4c; and 12-month $15.09, down 62.0c. The metal opened at 905-907p ($13.74-$13.78) and closed at 913-915p ($13.84-$13.89).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	902.30p	—37.7	918p	—19.5
3 months	927.65p	—38.5	942.75p	—20.7
6 months	952.35p	—38.5	—	.....
12months	1004.15p	—41.1	—	.....

LME — Turnover: 131 (102) lots of 10,000 ozs. Morning: three months 928.0, 29.0, 27.5, 28.0, 28.5, 29.0, 30.0. Kerb: three months 931.0, 31.5, 32.0. Afternoon: three months 940.0, 41.0, 42.0, 42.5. Kerb: three months 940.0, 39.0, 40.0, 41.0.

COCOA

Futures traded within a fairly limited range and closed little changed. Physicals were a little more active than

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
Feb	69.00	68.80	69.50-68.50
April	80.90	79.80	82.30-78.70
May	86.30	85.00	87.50-84.10
Nov	68.00	67.90	—
Feb	76.70	77.00	77.00

RUBBER

MEAT/FISH

tional business in many varieties. Certain speciality growths were wanted *among Middle Eastern supplies,* while further interest was shown in African and American styles.

HIDES—Leeds. Second clears. Ox: 31-35.5 kg, 68.2p a kg (62.9p); 26-30.5 kg, 79.9p a kg (74.3p); 22-25.5 kg,

AMERICAN MARKETS

NEW YORK, Feb 2

Precious metals opened weak but *gradually recovered on reports of concern* about the international banking crisis by the Federal Reserve and on reports of new skirmishes in Lebanon. Copper prices declined fractionally as profit-taking plus arbitrage selling put great pressure on the market early; as liquidation of the substantial open position in the March future proceded in an orderly manner, the market began *to recover its losses. Heating oil prices* recovered from early lows on the uncertainty about crude oil prices as well as on technical buying; trade support appeared in anticipation of a bullish stock report. Cocoa prices were lower *on arbitrage selling and on improved* weather conditions in Brazil. Coffee prices finished higher on better roaster interest in the nearby positions while the distant months came under pressure from commission house selling. Sugar prices advanced as Iran entered the market as an active buyer; a report of a lower South African crop also helped attract new buyers. Late *profit-taking and commercial hedging* turned a higher market into minor losses in grains and soyabeans, reported Heinold.

NEW YORK

COCOA 10 tonnes. $/tonnes

	Close	High	Low	Prev
March	1799	1817	1785	1818
May	1820	1839	1804	1830
July	1840	1856	1819	1835
Sept	1855	1870	1830	1850
Dec	1870	1887	1840	1860
March	1890	1895	1890	1880
May	1910	—	—	1900

SUGAR WORLD "11" 112,000 lb. cents/lb

	Close	High	Low	Prev
March	6.40	6.50	6.34	6.32
May	6.66	6.75	6.62	6.57
July	7.04	7.11	6.99	6.94
Sept	7.38	7.45	7.33	7.31
Oct	7.58	7.70	7.58	7.56
March	8.60	8.65	8.59	8.57
May	8.87	8.88	8.84	8.84

CHICAGO

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
103¼	95½	FFI 14pc '83	101⅝	...	13.78	12.01
94½	80	FFI(UK Fn)6¼pcDb '81-84	92	...	6.91	12.20
103½	82½	Do. 10⅞pc Uns.Ln '86	96½	...	10.99	12.10
105	78	Do. 11pc Uns.Ln. '88	97	...	11.44	11.80
106	78	Do. 11¾pc Uns Ln. '90	98½	...	12.07	12.35
108¼	82	Do. 12½pc Un. Ln. 1992	102	...	12.83	13.00
83	54	Do. 7¼pc A Deb '89-92	74½	...	9.94	11.70
79½	53	Do. 7½pcADeb. '91-94	74½	...	11.90	10.21
90	62	Do. 9pc 'A' '91-94	83½	...	11.26	12.25
87¼	57¾	Do. 8⅞pcLn. '92-97	76½xd	...	11.60	11.63

Building Societies

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102⅛	100	Nat'wide 15⅝pc 7.2.83	100⅛	...	—	—
101⅞	99⅝	Do. 14¼pc 14.3.83	100⅛	...	14.23	12.89
102⅛	99⅝	Do. 14¼pc 4.4.83	100⅜	...	14.20	11.73
102⅝	100⅛	Do. 14⅝pc 25.4.83	100⅝	...	14.66	11.50
102¼	99½	Do. 13⅞pc 23.5.83	100½	...	13.81	11.99
102⅝	100⅛	Do. 13⅞pc 13.6.83	100¼	...	13.83	11.56
102¼	100⅛	Do. 14pc 4.7.83	100⅞	...	13.88	11.68
102¼	100⅛	Do. 13⅛pc 25.7.83	100⅝xd	...	13.04	11.79
101½	99⅛	Do. 11⅞pc 15.8.83	100⅜xd	...	11.83	11.24
101	98⅞	Do. 11¼pc 30.8.83	100	...	11.25	10.97
101⅛	99¼	Do. 11⅜pc 3.10.83	99⅞	...	11.45	12.40
100⅝	98¼	Do. 9⅞pc 31.10.83	98½	...	10.09	12.11
99¼	98	Do. 9⅞pc 28.11.83	98⅝	...	10.04	12.02
100¼	99⅛	Do. 11¼pc 19.12.83	99½	...	11.31	11.89

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS & HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
250	75	Falcon Rh.50c	250	.....	Q25c	10.3	7.0
33	18	Wankie Col. Z$1	20	.....	†Q3c	1.2	10.2
28	12	Zam Cpr SBD0.24	28	+3	—	—	—

Australians

Tins

Miscellaneous

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
90	20	♥Anglo-Dominion	90	.....	—	—	—
125	25	♥Anglo Utd. Dev.	85	−4	—	—	—
		For Burma see Southwest Res					
135	27	♥Colby Res Corp.	135	.....	—	—	—
440	170	Cons. Murch. 10c.	420	.....	‡Q60c	1.9	‡
8	1½	‡‡Explaura Gold	4	.....	—	—	—
155	55	♥Highwood Res.	155	.....	—	—	—
£40½	£25	Homestake Mining $1	£38⅛	−2⅛	Q40c	—	0.6
495	160	Northgate C$1	495	+20	—	—	—
552	344	R.T.Z.	545	−5	16.0	1.6	4.2
£121½	£84	Do. 9½% Cu.Ln. 95-2000	£121½	+½	Q9½%	23.9	f7.9
28	11	♥Sabina Inds C$1	26	−1	—	—	—
17	12½	♥Southwest Res 10p.	16	−½	—	—	—
530	270	♥Tara Exptn $1	500	−15	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- § Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▮ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	Stock (IRISH)	Price	+ or −
Albany Inv. 20p	48	.....	Exch. 15pc 1983	£100⅛	+⅛
Bertrams	17#	.....	Nat. 9¾% 84/89	£81	+½
Bdg'wtr. Est. 50p	475	.....	Fin. 13% 97/02	£92½	+⅝
Craig & Rose £1	£12½	.....	Alliance Gas	113	−2
Finlay Pkg. 5p	31	.....	Arnott	188	.....
Graig Ship. £1	£22	.....	Carroll (P.J.)	81	+1
Higsons Brew	105	.....	Concrete Prods.	50	.....
Holt (Jos) 25p	880	.....	Heiton (Hldgs.)	16	.....
I.O.M. Stm. £1	100xd	.....	Ins. Corpn. Ireland	360	.....
Pearce (C. H.)	£12	.....	Irish Ropes	26	.....
Peel Hldgs.	160	.....	Jacob	81	.....
			T.M.G.	95	.....
			Unidare	43	.....

OPTIONS

3-month Call Rates

Industrials

Stock	Rate	Stock	Rate	Stock	Rate
Allied-Lyons	15	House of Fraser	15	Utd. Drapery	7
BOC Grp	17	I.C.I.	20	Vickers	12
B.S.R.	6	"Imps"	10	Woolworth Hld.	15
Babcock	10	I.C.L.	8	**Property**	
Barclays Bank	35	Ladbroke	16	Brit. Land	7½
Beecham	35	Legal & Gen.	28	Cap. Counties	12
Blue Circle	44	Lex Service	16	Land Secs.	26
Boots	22	Lloyds Bank	35	MEPC	17
Bowaters	19	"Lofs"	4	Peachey	14
Brit. Aerospace	20	London Brick	11	Samuel Props.	10
B.A.T.	50	Lucas Inds.	12	Town & City	3
Brown (J.)	4	"Mams"	12	**Oils**	
Burton Ord.	24	Mrks. & Spncr	16	Brit. Petroleum	26
Cadburys	11	Midland Bank	30	Burmah Oil	12
Courtaulds	8	N.E.I.	9	Charterhall	5
Debenhams	8½	Nat. West. Bank	38		
		P & O Dfd.	14		

Mines

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 33

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar advances once again

The dollar advanced in nervous trading, reacting to comments from Mr Martin Feldstein, chairman of the U.S. Council of Economic Advisers, and Mr Paul Volcker, chairman of the Federal Reserve Board. This was generally a reflection of the lack of any important economic news, and conflicting opinions about the world banking crisis and its effect on the major economies. Market sources also reported a desire to sell the D-mark ahead of the March German general election.

Sterling was also very firm against most major currencies, but fell to another record low against the dollar.

DOLLAR—Trade-weighted index (Bank of England) 122.1 against 119.9 six months ago. The dollar has returned to favour as hopes of an early cut in the discount rate recede. The prospect of large fund raising by the authorities has also kept interest rates firm, while the growing trade deficit has failed to encourage further selling of the U.S. currency.

The dollar rose to DM 2.4950 from DM 2.4620 against the D-mark; to FFr 7.0775 from FFr 6.97625 against the French franc; to SwFr 2.0475 from SwFr 2.0125 in terms of the Swiss franc; and to Y242.25 from Y239.15 against the Japanese yen.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.5150. January average 1.5735. Trade-weighted index 81.3 against 81.2 at noon, 81.1 at the opening, 81.0 at the previous close, and 91.7 six months ago. Sterling is weak on fears of lower North Sea oil prices, and recent dissaray within Opec. There is also uncertainty caused by the possibility of an early general election. The pound is around an all time low against the dollar and also unsettled against other currencies.

Sterling opened at $1.5220-$1.5230 and touched a peak of $1.5250-1.5260, but traded around the $1.52 level for most of the day. Demand for the dollar pushed the pound to a record low of $1.5130-1.5140 in the afternoon, before it finished at an all time closing low of $1.5145-1.5155, a fall of 90 points on the day. On the other hand sterling rose to DM 3.7825 from DM 3.7550; to FFr 10.72 from FFr 10.63; to SwFr 3.1025 from SwFr 3.07; and to Y367.25 from Y364.50.

D-MARK—Trading range against the dollar in 1982-83 is 2.5940 to 2.2410. January average 2.3900. Trade weighted index 126.9 against 125.5 six months ago. The D-mark has shown a weaker tendency recently in the run up to a March general election. Favourable trade figures and fading hopes of lower German interest rates started to reverse this trend but the D-mark in common with other major currencies is again suffering from the problems of a strengthening dollar.

The dollar was fixed at its best level this year in Frankfurt yesterday at DM 2.4835 up from DM 2.4678 on Tuesday. After opening stronger, it lost ground initially before starting to improve towards midday. A firmer trend in U.S. interest rates was seen as the main factor underpinning the dollar. Elsewhere sterling rose to DM 3.7760 from DM 3.7610 and the Belgian franc was stronger at DM 5.1120 per BFr 100 compared with DM 5.1090.

BELGIAN FRANC—Trading range against the dollar in 1982-83 is 50.21 to 38.12. January average 46.89. Trade weighted index 93.8 against 95.4 six months ago. The Belgian franc has fallen against stronger members of the EMS in the past year and rumours of a realignment are heard from time to time. However, pressure has eased a little recently as the D-mark has weakened.

The Belgian authorities spent the equivalent of BFr 2.5bn last week in support of the Belgian franc. The latter was trading at its EMS floor against the Dutch guilder although the spread between the convertible and financial franc continued to narrow. At yesterday's fixing the dollar rose to BFr 48.56 from BFr 48.365 and the Dutch guilder was higher at BFr 17.8285, equal to its upper floor limit and up from Tuesday's fixing of BFr 17.8282.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	44.9721	—	+1.23	±1.5501
Danish Krone ...	8.23400	8.07338	−1.95	−0.72	±1.6430
German D-Mark	2.33379	2.29913	−1.49	−0.26	±1.0888
French Franc ...	6.61387	6.51776	−1.45	−0.22	±1.3940
Dutch Guilder ...	2.57971	2.52302	−2.20	−0.97	±1.5004
Irish Punt.........	0.691011	0.690040	−0.14	+1.09	±1.6691
Italian Lira	1350.27	1321.31	−2.14	−1.51	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Feb. 2	£	$		£ Note Rates
Argentina Peso...	82,554-82,954	54,300-54,550	Austria..	26.35-26.65
Australia Dollar..	1.5725-1.5745	1.0375-1.0380	Belgium	75.75-76.75
Brazil Cruzeiro...	416.88-417.88	273.91-275.28	Denmark	13.18-13.32
Finland Markka..	8.2595-8.2750	5.4550-5.4570	France	10.65-10.75
Greek Drachma..	126.878-128.067	84.10-84.30	Germany	3.75½-3.79½
Hong Kong Dollar	10.05-10.07	6.6160-6.6210	Italy	2140-2180
Iran Rial	129.50*	84.75*	Japan	365-370
Kuwait Dinar(KD)	0.443-0.444	0.2922-0.2923	Netherlands	4.12-4.16
Luxembourg Fr.	73.70-73.80	48.66-48.68	Norway	10.90-11.00
Malaysia Dollar..	3.4900-3.5050	2.2990-2.3010	Portugal	140-165
New Zealand Dlr.	2.1130-2.1200	1.4000-1.4020	Spain	191¼-206½
Saudi Arab. Riyal	5.2240-5.2310	3.4405-3.4415	Sweden	11.39-11.50
Singapore Dollar	3.1850-3.2000	2.0970-2.0990	Switzerland	3.08¼-3.12¼
Sth.African Rand	1.6300-1.6310	1.0760-1.0765	United States	1.51-1.53
U.A.E. Dirham	5.5755-5.5830	3.6720-3.6730	Yugoslavia	117-126

*Selling rates.

CURRENCY MOVEMENTS

Feb. 2	Bank of England Index	Morgan Guaranty Change %
Sterling	81.3	−39.1
U.S. dollar	122.1	+12.4
Canadian dollar	90.0	−17.7
Austrian schilling	119.1	+29.6
Belgian franc	93.8	−1.8
Danish kroner	83.5	−9.6
Deutsche mark	126.9	+53.1
Swiss franc	151.9	+108.2
Guilder	118.6	+27.5
French franc	73.4	−19.9
Lira	53.0	−58.5
Yen	143.0	+35.9

Based on trade weighted changes from Washington agreement December 1971. Bank of England index (base average 1975=100).

CURRENCY RATES

Feb 2	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.710267	0.609515
U.S. $	8½	1.07925	0.927059
Canadian$	9.83	*	1.14460
Austria Sch	4¾	18.8167	16.1634
Belgian F	11½	52.4084	44.9721
Danish Kr	10	9.4084	8.07338
D mark	5	2.68032	2.29913
Guilder	4½	2.93934	2.52302
French F	9½	7.59306	6.51776
Lira	18	1538.20	1321.31
Yen	5½	258.804	222.424
Norwgn Kr	9	7.76682	6.67675
Spanish Pta	—	141.789	121.771
Swedish Kr	9	8.11326	6.97712
Swiss Fr	4½	2.19848	1.88445
Greek Dr'ch	20½	90.8567	77.8645

* C$/SDR rate for Jan 31: 1.34383.

THE POUND SPOT AND FORWARD

Feb 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5130-1.5260	1.5145-1.5155	0.27-0.22c pm	1.94	0.71-0.66 pm	1.81
Canada	1.8730-1.8860	1.8750-1.8760	0.22-0.12c pm	1.09	0.50-0.40 pm	0.96
Nethlnd.	4.13-4.16	4.14-4.15	2¼-1¾c pm	5.79	6¾-6¼ pm	6.15
Belgium	73.60-74.00	73.70-73.80	5-15c dis	−1.63	38-48 dis	−2.33
Denmark	13.23-13.28	13.25½-13.26½	5¾-7ore dis	−5.77	20¾-21¾dis	−6.35
Ireland	1.1300-1.1380	1.1315-1.1335	0.57-0.69p dis	−6.67	1.44-1.62dis	−5.40
W. Ger.	3.76-3.79	3.77½-3.78½	1⅞-1⅝pf pm	5.15	5⅛-4⅞ pm	5.42
Portugal	140.50-144.50	140.75-142.75	360-1140c dis	−63.49	770-1670dis	−34.43
Spain	199.00-200.00	199.25-199.55	90-120c dis	−6.32	315-370 dis	−6.87
Italy	2,160-2,172	2,161-2,163	10½-14½ lire dis	−6.94	50-55 dis	−9.71
Norway	10.90-10.96	10.90½-10.91½	¾-1½ore dis	−1.03	4½-5¾ dis	−1.88
France	10.68-10.73	10.71½-10.72½	3-5c dis	−4.48	20½-24½dis	−8.39
Sweden	11.42-11.47	11.43½-11.44½	¼-1ore dis	−0.65	¼ pm-¼ dis	−0.11
Japan	365-369	366¾-367¾	1.40-1.20y pm	4.25	4.40-4.20 pm	4.68
Austria	26.40-26.60	26.45-26.50	12-10gro pm	4.98	36¾-31¾ pm	5.17
Switz.	3.08-3.11	3.09¾-3.10¾	2⅛-1⅞c pm	8.22	6⅝-6⅜ pm	8.22

Belgian rate is for convertible francs. Financial franc 75.80-75.90. Six-month forward dollar 1.10-1.05c pm, 12-month 1.70-1.55c pm.

THE DOLLAR SPOT AND FORWARD

Feb 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5130-1.5260	1.5145-1.5155	0.27-0.22c pm	1.94	0.71-0.66 pm	1.81
Ireland†	1.3370-1.3450	1.3370-1.3385	0.88-0.78c pm	7.42	2.40-2.20 pm	6.85
Canada	1.2360-1.2385	1.2380-1.2385	0.10-0.13c dis	−1.11	0.26-0.29dis	−0.89
Nethlnd.	2.7180-2.7350	2.7330-2.7350	0.95-0.85c pm	3.96	3.00-2.90 pm	4.32
Belgium	48.45-48.72	48.66-48.68	16-18c dis	−3.70	51-55 dis	−4.36
Denmark	8.7030-8.7400	8.7175-8.7275	4-5ore dis	−6.18	13¾-14¾dis	−6.52
W. Ger.	2.4735-2.4960	2.4945-2.4955	0.65-0.60pf pm	3.01	2.28-2.23 pm	3.61
Portugal	92.00-95.50	93.50-95.50	250-750c dis	−64.00	550-1450dis	−42.67
Spain	131.10-131.65	131.55-131.60	90-110c dis	−9.12	290-320 dis	−9.27
Italy	1,422-1,430½	1,426½-1,427½	10½-12 lire dis	−9.45	41-43 dis	−11.76
Norway	7.1940-7.2075	7.1975-7.2075	1½-2½ore dis	−3.33	6.60-7.60dis	−3.94
France	7.0200-7.0825	7.0750-7.0800	3.60-3.90c dis	−6.38	18-19 dis	−10.50
Sweden	7.5200-7.5540	7.5425-7.5525	1.40-1.90ore dis	−2.62	3.60-4.10dis	−2.04
Japan	240.25-242.60	242.20-242.30	0.52-0.45y pm	2.40	1.78-1.68 pm	2.86
Austria	17.40½-17.48½	17.46½-17.47½	4½-3½gro pm	2.83	15¾-12¾ pm	3.20
Switz.	2.0270-2.0480	2.0470-2.0480	1.04-0.98c pm	6.01	3.27-3.22 pm	6.34

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 50.00-50.10.

EXCHANGE CROSS RATES

Feb. 2	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.515	3.783	367.3	10.72	3.103	4.145	2162.	1.876	73.75
U.S. Dollar	0.660	1.	2.497	242.4	7.076	2.048	2.736	1427.	1.238	48.68
Deutschemark	0.264	0.401	1.	97.09	2.834	0.820	1.096	571.6	0.496	19.50
Japanese Yen 1,000	2.723	4.125	10.30	1000.	29.19	8.448	11.29	5887.	5.107	200.8
French Franc 10	0.933	1.413	3.528	342.6	10.	2.894	3.867	2017.	1.750	68.80
Swiss Franc	0.322	0.488	1.219	118.4	3.455	1.	1.336	696.9	0.605	23.77
Dutch Guilder	0.241	0.366	0.913	88.60	2.586	0.748	1.	521.6	0.452	17.79
Italian Lira 1,000	0.463	0.701	1.750	169.9	4.958	1.435	1.917	1000.	0.867	34.11
Canadian Dollar	0.533	0.808	2.017	195.8	5.716	1.654	2.210	1153.	1.	39.32
Belgian Franc 100	1.356	2.054	5.129	498.0	14.54	4.207	5.620	2932.	2.543	100.

FINANCIAL FUTURES

Narrow trading

Trading in most sectors of the London International Financial Futures Exchange was confined to fairly narrow ranges yesterday although volume remained quite respectable. Once again there was little clear indication of current trends with little inspiration provided by cash markets. Euro-dollar prices opened little changed from Tuesday's closing levels in London but tended to ease following a weaker trend in Chicago. Fears of higher interest rates reflected disappointment in Tuesday's 3-year auction with dealers noting a lack of retail interest and the prospect of higher rates to get the rest of the Government's funding programme off the ground. The March Euro-dollar opened at 90.35 from 90.36 on Tuesday and drifted lower during the day with the opening of Chicago continuing the trend, to touch a low of 90.19. It closed at 90.21.

Gilt prices opened a little firmer but eased back to trade in a narrow range much in line with the cash market. However during the afternoon while cash prices remained static, one big seller saw the March futures price marked down to a low of 97-25 from an opening level of 98-10 moving prices out of line. However it recovered to close at 98-09, hardly changed from Tuesday's close of 98-06. The market gained some impetus from January's UK official reserves which showed a smaller decline than had been expected.

Short sterling prices were little changed with the March price opening and closing at 88.70 compared with 88.64 previously. There was little incentive in view of sterling's recent performance with dealers noting a record closing low against the dollar, principally on the latter's strength, while its index moved to its best level for over a week.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.21	90.35	90.19	90.36
June	89.85	89.90	89.83	89.98
Sept	89.62	89.65	89.62	89.73
Dec	89.45	89.45	89.45	89.50
March	89.10	89.10	89.10	89.27

Volume 1,352 (2,127)
Previous day's open int. 3,073 (3,294)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	88.70	88.77	88.61	88.64
June	89.05	89.17	89.00	89.01
Sept	89.07	89.17	89.01	88.97
Dec	89.05	89.17	89.05	88.97

Volume 1,233 (1,334)
Previous day's open int. 2,709 (2,650)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	98-09	98-16	97-25	98-06
June	98-01	98-03	97-20	97-30
Sept	97-25	97-27	97-25	97-20

Volume 1,455 (1,417)
Previous day's open int. 2,183 (2,222)
Basis quote (clean cash price of 15½% Treasury 1998 less equivalent price of near futures contract) −2 to +6 cum div. 10/18 ex div. (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.5160	1.5225	1.5150	1.5213
June	1.5103	1.5140	1.5103	1.5160
Sept	1.5048	1.5050	1.5048	—

Volume 507 (414)
Previous day's open int. 947 (1,019)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.4029	0.4047	0.4025	0.4080
June	0.4071	0.4080	0.4071	0.4115
Sept	0.4120	0.4120	0.4120	—

Volume 147 (67)
Previous day's open int. 239 (252)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4937	0.4950	0.4925	0.5012
June	0.5010	0.5015	0.5010	0.5090
Sept	0.5084	0.5088	0.5084	—

Volume 88 (125)
Previous day's open int. 281 (267)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4143	0.4170	0.4136	0.4200
June	0.4185	0.4206	0.4185	0.4210
Sept	0.4200	0.4200	0.4200	—

Volume 77 (230)
Previous day's open int. 242 (211)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	73-04	73-07	72-25	73-12
June	72-13	72-17	72-04	72-22
Sept	71-29	72-00	71-19	72-05
Dec	71-17	71-18	71-06	71-25
March	71-08	71-08	71-01	71-16
June	71-01	71-01	70-29	71-09
Sept	70-27	70-27	70-23	71-03
Dec	70-22	70-22	70-15	70-30
March	70-18	70-18	70-13	70-26
June	70-14	70-14	70-08	70-22

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	91.70	91.72	91.61	91.72
June	91.35	91.36	91.25	91.39
Sept	91.09	91.09	91.02	91.14
Dec	90.83	90.86	90.80	90.91
March	90.59	90.65	90.59	90.70
June	90.44	90.44	90.39	90.48
Dec	—	—	90.08	90.15

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	89.72	89.75	89.69	89.80
March	90.74	90.76	90.65	90.75
June	90.24	90.25	90.14	90.27
Sept	89.92	89.94	89.90	89.99

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.05	90.06	89.95	90.06
June	89.65	89.65	89.56	89.67
Sept	89.39	89.39	89.32	89.40
Dec	89.18	89.18	89.12	89.23
Feb	—	—	—	—

STERLING (IMM) $s per £

	Latest	High	Low	Prev
March	1.5120	1.5170	1.5065	1.5180
June	1.5035	1.5110	1.5020	1.5115
Sept	1.5020	1.5045	1.5000	1.5075
Dec	1.5000	1.5060	1.5000	1.5040
March	—	—	—	—
June	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	67-10	67-14	67-03	67-20
June	66-10	66-16	66-04	66-21
Sept	65-25	65-25	65-18	66-00
Dec	65-05	65-05	65-01	65-18
March	64-20	64-27	64-18	65-02
June	64-10	64-14	64-08	64-23
Sept	63-30	64-05	63-30	64-13
Dec	63-28	64-00	63-28	64-05
March	—	—	—	63-30
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

MONEY MARKETS

London rates easier

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

Fixed period interest rates had an easier trend in quiet London interbank trading, but showed signs of nervousness late in the day as sterling weakened against the dollar on the foreign exchanges. Three-month money fell to 11½-11⅝ per cent from 11⅝-11¾ per cent. Overnight funds touched a peak of 12 per cent, but fell to 5 per cent at the close, despite indications that the authorities had not supplied enough help to the money market.

The Bank of England forecast a shortage of £300m but this was later revised to £350m, although total help amounted to only £256m.

Exchequer transactions added £100m to market liquidity, but was outweighed by bills maturing in official hands and a take up of Treasury bills by the market amounting to £113m; the unwinding of repurchase agreements of £230m; and a rise in the note circulation of £60m.

In the morning the authorities gave assistance of £145m by buying £10m bank bills in band 1 (up to 14 days maturity) at 11 per cent; £105m bank bills in band 2 (15-33 days) at 11 per cent; £15m bank bills in band 3 (34-63 days) at 11 per cent; and £15m bank bills in band 4 (64-84 days) at 11 per cent.

After lunch the Bank of England purchased another £111m bills by way of £10m Treasury bills and £7m Bank bills in band 1 at 11 per cent; £89m bank bills in band 2 at 11 per cent; and £5m Treasury bills in band 4 at 11 per cent.

In Paris the Bank of France left its Treasury bill purchase rate at 12⅜ per cent when it bought around FFr 10bn to assist money market liquidity. The Treasury bill purchase rate is traditionally ⅛ per cent below the official market intervention rate, currently at 12½ per cent.

In Frankfurt the Bundesbank central council holds its regular fortnightly meeting today, but will not hold a press conference afterwards. There is no expectation of a change in German credit policies or key interest rates, following the recent firming of U.S. rates, and the approach of next month's German general election.

LONDON MONEY RATES

Feb. 2 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	5-12	—	—	—	10-11½	9½-11	—	—	—
2 days notice	—	—	11¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11-11¼	—	—	—	—
7 days notice	—	11⅛-11⅜	11¼	—	—	11¾	11	—	—	—
One month	11½-11⅜	11⅝-11⅞	11¾-11½	12-11¾	11⅞	11⅞	11	11⅛-11⅛	11⅛-11⅛	11⅞
Two months	11½-11⅜	11⅝-11⅝	11½	12⅛-11¾	11⅞	11⅞	11	11⅛-11⅛	11⅛-11⅛	11⅞
Three months	11⅝-11⅝	11½-11⅝	11½-11⅝	12⅛-11¾	11⅞	—	11	11⅛-11⅛	11⅛-11⅛	11⅞
Six months	11⅜-11¼	11½-11⅝	11½	11¼-10⅞	11⅝	—	—	—	10⅞	11½
Nine months	11⅜-11¼	11⅛-11⅜	—	11⅝-11¼	11⅝	—	—	—	—	—
One year	11⅜-11¼	11⅛-11⅜	11⅛	11½-11⅛	11⅝	—	—	—	—	—
Two years	—	—	11½-11¾	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 5 to February 1 1983 (inclusive) 11.327 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11¾-12 per cent; four years 11⅞-12⅛ per cent; five years 11⅞-12⅛ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 11⅛ per cent; four months trade bills 11¾ per cent.

Approximate selling rate for one month Treasury bills 10²⁹⁄₃₂-11 per cent; two months 10²⁹⁄₃₂-11 per cent and three months 10²⁹⁄₃₂-11 per cent. Approximate selling rate for one month bank bills 11-11¹⁄₃₂ per cent; two months 11-11¹⁄₃₂ per cent and three months 11-11¹⁄₃₂ per cent; trade bills 11⁷⁄₁₆ per cent; two months 11⁷⁄₁₆ per cent and three months 11⁷⁄₁₆ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from February 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days' notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.9366 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11½ per cent; one-three-month 11½ per cent; three-12-month 11½ per cent. Under £100,000 11¼ per cent from January 28. Deposits held under Series 3-5 11½ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 2	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	10⅞-11½	11⅛-11⅜	11⅜-11½	11½-11⅝	11⅛-11⅜	11⅜-11½
U.S. Dollar	8¾-9	9-9¼	9⅛-9⅜	9⅜-9⅝	9⅝-9⅞	10-10¼
Can. Dollar	10-11	10-10½	10⅛-10⅜	10⅛-10⅜	10½-10¾	10⅜-10⅝
D. Guilder	4⅞-5	4⅞-5	4⅞-5	4⅞-5⅛	5-5⅛	5¼-5⅜
S. Franc	5¼-5⅜	2½-3	2¾-2⅞	2⅞-3⅛	3⅛-3⅝	3¾-3⅞
Deutschm'rk	5⅛-4¼	5⅛-5⅜	5⅛-5⅜	5⅛-5⅜	5⅜-5½	5⅜-6⅛
Fr'nch Franc	12½-13	13-13½	16-16½	20⅜-20⅞	19⅞-20⅜	18-18½
Italian Lira	16-18	16⅛-18⅛	18½-20	21¼-22⅜	22-22⅝	22-22¾
Belg. Franc						
Conv.	11¾-12¾	11½-13	13-13¾	13½-14¼	13⅝-14⅜	13-13½
Fin.	12½-13	12¼-12½	12¼-12½	12⅜-12⅝	12⅜-12⅝	12⅜-12⅝
Yen	6⅛-6¾	6⅛-6⅛	6⅝-6¾	6⅝-6¾	6⅝-6⅝	6⅝-6¾
D. Krone	13½-14	16½-17	17½-18	18-18½	18¼-18⅝	17⅞-18¼
Asia $ (Sing.)	8⅞-9⅛	9⅛-9⅛	9⅛-9⅜	9⅜-9⅜	9¾-9⅞	10-10⅛

FT LONDON INTERBANK FIXING

(11.00 a.m. FEBRUARY 2)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 7/16	offer 9 9/16	bid 9 3/4	offer 9 7/8

The fixing rates are the arithmetical means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	8⅞-9⅛
Treasury bills (13-week)	8.24
Treasury bills (26-week)	8.25

GERMANY

Lombard	6.0
Overnight rate	5.975
One month	5.775
Three months	5.85
Six months	5.925

FRANCE

Intervention rate	12.375
Overnight rate	12.75
One month	12.8125
Three months	12.875
Six months	12.5625

JAPAN

Discount rate	5.5
Call (unconditional)	6.78125
Bill discount (3-month)	6.84825

SWITZERLAND

Discount rate	4½
Overnight rate	1¾-2
One month	2⁹⁄₁₆-2¹¹⁄₁₆
Three months	2¹⁵⁄₁₆-3¹⁄₁₆

NETHERLANDS

Discount rate	4½
Overnight rate	4⅞-5
One month	4⅞-5⅛
Three months	5-5⅛
Six months	5¼-5½

$ CERTIFICATES OF DEPOSIT

One month	8.90-9.00
Three months	9.05-9.15
Six months	9.40-9.50
One year	9.80-9.90

LONG TERM EURO $

Two years	11-11¼
Three years	11¼-11½
Four years	11¾-12
Five years	11⅞-12⅛

SDR LINKED DEPOSITS

One month	9⅞-9⅛
Three months	9⅝-9⅞
Six months	9¹⁵⁄₁₆-10¹⁄₁₆
One year	9⅞-10

ECU LINKED DEPOSITS

One month	10⁵⁄₁₆-10¹¹⁄₁₆
Three months	11⁵⁄₁₆-11¹¹⁄₁₆
Six months	11½-11⅞
One year	10¹³⁄₁₆-11³⁄₁₆

Authorised Units—continued

Lawson Fund Managers Ltd (a) (c) (g)
43 Charlotte Sq, Edinburgh 2. 031-225 6001

Amer. & Pac.*		10.0	....	1.20
High Yield*	19.4	20.4	....	11.80
Do. Accum.†	19.4	20.4	....	11.80

*Dealing start Thurs. †Fri.

Insurances—continued

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar. 0707 42311

Pensions Funds				
EqPenFdAc	326.6	554.3	+0.6	—
Fxd I.PenAc	378.2	398.0	+0.9	—
GtMonPnAc	231.3	243.3	+0.1	—
IntMnPnAc	213.4	224.6	−0.5	—
NAmPnFdAc	99.5	104.7	−0.5	—
Prop Pen Ac	210.3	221.3	....	—
MplInvPnAc	447.5	471.0	−0.1	—

M & G Group
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

Prop. (Cap)	121.3	127.5	....	
Do (Accm)	141.6	148.8	....	
Personl. Pen		539.4	....	

Commercial Union Group
St Helen's, 1 Undershaft EC3. 01-283 7500

Varbl An Jan 29	123.52		....	—
An Uts Feb 4	29.33		....	—
Prime Series				
Managed	95.2	100.3	+0.2	—
UK Equity	96.0	101.1	+1.1	—
Intl Equity	95.0	100.0	....	—
Property	95.0	100.0	....	—
Fixed Int	95.0	100.0	....	—
Indx-Lkd Gc	95.0	100.1	+0.1	—
Cash	95.0	100.0	....	—
Hand-in-Hand				
Cash	116.2	122.4	....	—
Fixed Int	127.5	134.3	....	—
Property	133.0	140.0	....	—
Nat West	160.4	168.9	....	—

Offshore and Overseas—continued

Perpetual U.T. Managers (Jersey) Ltd
P.O. Box 459, St Helier, Jersey 0534 74517

Offshore Gwth	—	$1.00		2.0

Schroder Mngt Services (Jersey) Ltd
P.O. Box 195, St Helier, Jersey 0534 27561

Schroder Money Funds Ltd

Sterling	£13.3172	+0.0267	—
US Dollar	US$25.0485	+0.0369	—
Deutschmark	DM50.0637	+0.0286	—
Swiss Francs	SF50.0151	+0.0071	—

Rothschild Asset Management (C.I.)
P.O. Box 58, St Juliens Ct, Guernsey 0481 26741

Or Am Fd*	$3.00	3.19xd	....	1.37
OCSmCo***	168.0	178.7	....	1.71
OC Cmty†	109.3	116.2xd	+4.0	2.57
OCSCmdy*	535.32	37.43	....	2.56
OC HK Fd††	$31.50	33.60	+1.89	—

**OC International Reserves Ltd

Bel Francs (Fin)	816.360	+0.870	10.12
Canadian $	25.280	+0.022	8.85
D-Mark	49.700	+0.020	4.80
Dutch Guilder	40.245	+0.018	3.62
French Francs	146.302	+0.143	11.98
Italian Lira	33,718	+45	18.87
Japanese Yen	6,080.890	+2.740	5.90
Singapore $	51.205	+0.025	3.17
£ Sterling	12.836	+0.012	10.30
Swiss Francs	45.308	+0.008	2.00
U.S.$	25.080	+0.020	8.12

*Prices Jan 7. Next dealing Jan 21. †Prices on Jan 31. Next dealing Feb 14. **Daily dealings. ***Jan 31. Next dealing Feb 15. ††Dealings every Wednesday.

PERSONAL

PUBLIC NOTICES

METROPOLITAN BOROUGH OF STOCKPORT

£8.8m Bills at 11⅛% from 2nd February 1983 to 4th May 1983. Total applications £80.2m. Total outstanding £8.8m.

CLUBS

PERSONAL